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Chairman, Trunk Line Association

WILLIAM A. SHELTON, A. M.
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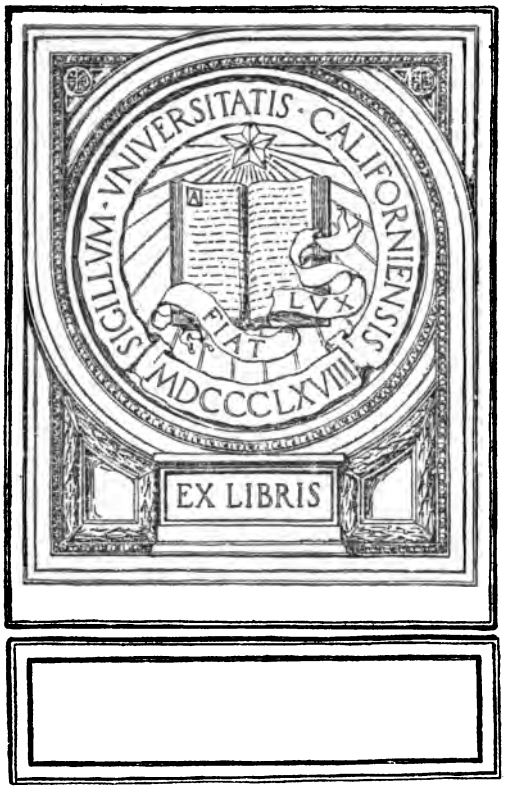
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OFFICIAL CLASSIFICATION TERRITORY AND EASTERN CANADA

C. C. McCAIN
Chairman, Trunk Line Association

WILLIAM A. SHELTON, A. M.
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CHAPTER IV

ALL-RAIL RATES FROM C. F. A. TERRITORY TO EASTERN CANADIAN GROUPS, AND FROM CANADIAN PERCENTAGE TERRITORY TO CERTAIN TRUNK LINE GROUPS

1. From C. F. A. Territory to Eastern Canadian Groups

(1) *Standard Rates from Chicago to Eastern Groups.*—Table 30 shows the standard all-rail rates on classes, live stock, and dressed meats from Chicago to certain eastern groups. It should be noted that the rates from Chicago to Buffalo are 60 per cent of the rates from Chicago to New York. The rates from other C. F. A. groups to Buffalo are based on the C. F. A. Scale.[1] The rates from Chicago to Detroit and Port Huron are the rates for 250 miles in the C. F. A. Scale. However, the distance by the direct line from Chicago to Detroit is 285 miles, and Port Huron is still more distant. The rates from C. F. A. points other than Chicago to Detroit and Port Huron are based roughly on the C. F. A. Scale but modified by competition.

(2) From points near C. F. A. points shown in Table 31 to Toronto the rates are based on the C. F. A. Scale. From the points grouped around Indianapolis and other points shown in Table 31 the same rates apply as from the points named in the table. From Chicago and other Illinois points not specified in Table 31 and from points in Michigan to Toronto the same class rates apply as to Buffalo. In the tariffs these rates are called the Toronto rates.

(3) *Basis for Making Rates to Canadian Groups*

[1] The C. F. A. Scale is a table of distance rates; see chap. viii.

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from C. F. A. Territory Except Pittsburgh.[2]—Having set forth the rates shown in Tables 30, 31, 32, and 34, it is easy to explain the basis for making rates to Canadian

TABLE 30

STANDARD RATES FROM CHICAGO TO EASTERN POINTS

FROM CHICAGO TO	RATES IN CENTS PER 100 LBS. Classes 1	2	3	4	5	6	LIVE STOCK, PER 100 POUNDS Horses	Cattle	Sheep and Hogs	DRESSED MEATS PER 100 POUNDS
Detroit, Port Huron	37	32	23½	16	13	10	32	13	13	20
Buffalo	45	39	30	21	18	15	36	18	18	27
Philadelphia	73	63	48	33	28	23	58	26	28	43
Montreal	75	65	50	35	30	25	60	28	30	45
New York	75	65	50	35	30	25	60	28	30	45
Boston	83	71	55	39	33	27	60	28	30	45

TABLE 31

RATES FROM CERTAIN C. F. A. GROUPS TO TORONTO, CANADA

TO TORONTO FROM	RATES IN CENTS PER 100 POUNDS Classes 1	2	3	4	5	6
Indianapolis ..... Ind.	46½	40½	31	21½	18½	15½
Danville ..... Ill.	48	41½	32	22½	19	16
Terre Haute ..... Ind.	49½	43	33	23	20	16½
Louisville ..... Ky.	51	44	34	24	20½	17
Essex ..... Ill.	51	44½	34	24	20½	17
Evansville ..... Ind.	54	47	36	25	21½	18
Ironton ..... Ohio	49	43	33	23	20	16½

TABLE 32

DISTANCE RATES (ASSUMED MILEAGE) FROM C. F. A. POINTS NOT SHOWN IN TABLE 31 TO TORONTO, CANADA

DISTANCES	RATES IN CENTS PER 100 POUNDS Classes 1	2	3	4	5	6
300 miles	40	34	25	17	14½	11½
325 miles	41	35	26	18	15	12
350 miles	42	36	27	18½	15½	13
375 miles	43	36½	27½	19	16½	13½
400 miles	44	37½	28½	19½	17	14
425 miles	44½	38½	29	20½	17½	14½
450 miles	45	39	30	21	18	15

[2] Supplements 13, 18, and 19 to Canadian Freight Bases; Petition No. 6 for Relief from the Fourth Section of the Act to Regulate Commerce, filed by the agent of the Central Freight Association with the Interstate Commerce Commission.

groups from C. F. A. Territory, except the Pittsburgh group, and from western and southern territories. For class rates and rates on live stock and dressed meats the basis is shown in Table 33. From C. F. A. points to points lying between Detroit and Port Huron on the west and Thedford, Hyde Park, and Port Stanley, Ont., on the east the table shows that the rates are arbitraries over the Detroit and Port Huron rates, with Buffalo rates as maxima, on classes and the same as the Buffalo rates on commodities. This group is known as the Sarnia group.

East from London via the Grand Trunk Railway to and including Hamilton, Ont., thence via the south shore of Lake Erie to but not including Port Stanley and east of the Sarnia group described in the last paragraph, the Buffalo rates apply from groups 78 per cent and higher in C. F. A. Territory. This is the Hamilton group.

TABLE 33

BASIS FOR MAKING RATES TO CANADIAN GROUPS FROM CENTRAL FREIGHT ASSOCIATION, WESTERN, AND SOUTHERN TERRITORIES

To Groups	Basis for General Merchandise (For standard rates see Table 30)						Basis for Live Stock and Dressed Meats, Carloads (For standard rates see Table 30)	
	Rates in Cents per 100 Pounds							
	Classes						From points taking	Rates
	1	2	3	4	5	6		
Windsor, Ont.[1]	8 above Detroit rates, but not to exceed Belle River, Comber, or Kingsville					2½	78% and over	Buffalo current rates
Sarnia, Ont.[2]	8 above Pt. Huron rates, but not to exceed Forest rates					2½		

1 Via Detroit.
2 Via Pt. Huron Tunnel.

TABLE 33—CONTINUED

To Groups	Basis for General Merchandise (For standard rates see Table 30)						Basis for Live Stock and Dressed Meats, Carloads (For standard rates see Table 30)	
	Rates in Cents per 100 Pounds							
	Classes						From points taking	Rates
	1	2	3	4	5	6		
Belle River, Ont.[1] Comber, Ont.[1] Kingsville, Ont.[1] Forest, Ont.[2]	2½	1½	1½	1½	1½	1	78% and over	Buffalo current rates
	lower than Buffalo rates, except when Buffalo rates are less than 7½, 5½, 4½, 4½, 3½, 3 cents per 100 pounds above Detroit rates, in which case Buffalo rates will apply							
London, Ont. Hamilton, Ont.	From points taking 78% and over of Chicago to New York rates, under Central Freight Association rules, current Buffalo rates apply From points taking less than 78% of Chicago to New York rates, under Central Freight Association rules, Toronto rates apply, except that from other than Pittsburgh, Ironton, Johnstown, and Connellsville points, the rates Cincinnati to Buffalo are the maximum and to stations shown as taking 2½, 1½, 1½, 1½, 1½, 1 cents per 100 pounds lower than Buffalo rates, the same differences may be made below the Toronto rates, when forwarded via Detroit						78% and over	Buffalo current rates
Toronto, Ont.	From Ohio, Western Pennsylvania, Indiana, and certain Illinois and Kentucky stations named in Table 31, rates are shown in Tables 31 and 32 From Chicago and other Illinois points not specified in Table 31 and from points in Michigan, Buffalo standard class rates apply. Such rates are called Toronto rates in tariffs						78% and over	Buffalo standard rates

TABLE 33—CONTINUED

To GROUPS	BASIS FOR GENERAL MERCHANDISE (For standard rates see Table 30)						BASIS FOR LIVE STOCK AND DRESSED MEATS, CARLOADS (For standard rates see Table 30)	
	RATES IN CENTS PER 100 POUNDS							
	Classes						From points taking	Rates
	1	2	3	4	5	6		
	From points taking a percentage of Chicago to New York class rates, under Central Freight Association rules, the following percentage of Montreal standard rates apply, subject to the current Montreal rates as a maximum to stations in the direct line							
	Under 78%	78%	79 to 100%	Over 100%	78%	79 to 100%	Over 100%	
Agincourt, Ont. ..... Myrtle, Ont. Oshawa, Ont.	74%	68%	74%	76%	68%	74%	76%	
Cobourg, Ont.	80%	76%	80%	84%	87%	90%	91%	
Lindsay, Ont. ..... Peterboro, Ont. ..... Cent. Ont. Jct., Ont.. Trenton, Ont. Sharbot Lake, Ont. ..... Napanee, Ont. ..... Kingston, Ont.	90%	87%	90%	91%	96%	96%	96%	
Brockville, Ont. Prescott, Ont. Smith's Falls, Ont.	Montreal current rates						78% and over	Montreal current rates
Carleton Jct., Ont. Ottawa, Ont.	Montreal standard rates						78% and over	Montreal standard rates

TABLE 33—CONTINUED

To Groups	Basis for General Merchandise (For standard rates see Table 30) Rates in Cents per 100 Pounds Classes 1 2 3 4 5 6	Basis for Live Stock and Dressed Meats, Carloads (For standard rates see Table 30)	
		From points taking	Rates
Montreal, Que.[3]	From Chicago and other Illinois points not specified in Table 31 and from points in Michigan, standard rates to New York apply, subject to the current rates to Boston as a maximum From Ohio, Western Pennsylvania, Indiana, and certain Illinois and Kentucky stations, rates are shown in Tables 31 and 32	78% and over	Boston current rates
Montreal, Que.[4]	Philadelphia current rates, except that from points taking less than 78% of Chicago to New York rates, the 78% rates will be the minimum, subject to Montreal (local) rates as maxima	78% and over	On live stock, New York current rates On dressed meats, Philadelphia current rates
St. Johns, Que.[5] Sherbrooke, Que.[5]	7 6 5 4 3 2 over standard rates to Montreal, except that from points taking 78% and over of Chicago-to-New York rates, the current rates to Boston will be the maximum	78% and over	Boston current rates
Quebec, Que.[4] Point Levi, Que.[4] Portland, Me.[4] St. John, N.B.[4] W. St. John, N. B.[4]	New York current rates, except that from points taking less than 78% of Chicago-to-New York rates, the 78% rates will be the minimum	78% and over	New York current rates

[3] Local.
[4] Export.

TABLE 33—CONTINUED

To Groups	Basis for General Merchandise (For standard rates see Table 30)						Basis for Live Stock and Dressed Meats, Carloads (For standard rates see Table 30)	
	Rates in Cents per 100 Pounds							
	Classes						From points taking	Rates
	1	2	3	4	5	6		
Halifax, N. S.[4]	One cent per 100 pounds over St. John, N. B., export rates						78% and over	One cent per 100 pounds over St. John, N. B., export rates
Quebec, Que.[3, 5] Point Levi, Que.[3, 5]	14	12	10	8	6	5	78% and over	Boston standard rates
	over the current Montreal rates, as the case may be							
North Sydney, C. B.[6]	15	12	10½	9	7½	6		
	over New York domestic rates, except that from points taking less than 78% of Chicago-to-New York rates, the 78% rates will be the minimum							
Cacouna, Que.[5]	18	16	14	12	10	8	Rates in Cents per 100 Pounds Over standard rates to Montreal	
	over the standard rates to Montreal[7]							
St. John, N. B.[3, 5] McAdam Jct., N. B.[5] Halifax, N. S.[3, 5]	20	18	16	14	12	10	Horses 19	Cattle 12 / Sheep and Hogs 14 / Dressed Meats 17½
	over the standard rates to Montreal[7]							
Mulgrave, N. S.[5]	24	22	19	17	14	12	23	14 / 16 / 20½
	over the standard rates to Montreal[7]							
Sydney, C. B.[5]	28	25	22	19	16	14	26	16 / 18 / 23½
	over the standard rates to Montreal[7]							

[5] Above bases will apply only where through percentages are in effect. Where there are no through percentages the traffic is subject to the current local rates from Montreal to destination.

[6] Applicable only on traffic destined to points in Newfoundland.

[7] Rates on grain and grain products, carloads, to the following base points: Quebec and Point Levi (proper), Cacouna, St. John, McAdam Jct., Halifax, Mulgrave, and Sydney are made up by adding the sixth-class arbitraries shown above to the current Montreal (local) rates.

TABLE 34

MINIMUM RATES FROM THE PITTSBURGH GROUP TO CANADIAN POINTS SPECIFIED VIA NIAGARA FRONTIER

FROM PITTSBURGH TO	RATES IN CENTS PER 100 POUNDS Classes 1	2	3	4	5	6
Windsor, Sarnia, Belle River, Comber..Ont. Kingsville, London, Toronto, Hamilton..Ont.	45	39	30	21	18	15
Agincourt, Myrtle, Oshawa.....Ont.	52½	45½	35	24½	21	17½
Cobourg .....Ont.	57	49	38	26½	23	19
Lindsay, Peterboro, Cent. Ont. Jct., Trenton .....Ont. Sharbot Lake, Napanee, Kingston....Ont.	64	55½	42½	29½	25	21
Brockville, Prescott, Smith's Falls....Ont. Carleton Jct., Ottawa.....Ont. Montreal .....Que.	65	56	43	30	25	21½
St. Johns, Sherbrooke.....Que.	72	62	48	34	28	23½
Quebec, Point Levi.....Que.	79	68	53	38	31	26½
Cacouna .....Que.	83	72	57	42	35	29½
St. John, McAdam Jct. .....N. B. Halifax .....N. S.	85	74	59	44	37	31½
Mulgrave .....N. S.	89	78	62	47	39	33½
Sydney .....C. B.	93	81	65	49	41	35½

TABLE 35

ARBITRARIES OVER PITTSBURGH RATES APPLICABLE FROM THE JOHNSTOWN AND CONNELLSVILLE GROUPS TO CANADIAN GROUPS SPECIFIED IN TABLE 33

FROM	RATES IN CENTS PER 100 POUNDS Classes 1	2	3	4	5	6	IRON COMMODITIES L. C. L.	C. L.
Connellsville, Pa.	5	4	3	2	2	2	2	1½
Johnstown, Pa.	10	8	6	5	4	3	2	1½

East and north of the Hamilton group on and south of the main line of the Grand Trunk Railway from Thedford to and including Toronto, the Toronto rates apply.

Territory east of the Toronto group on and south of

the Canadian Pacific Railway through Smith's Falls and Carleton Junction to Ottawa, thence via the south shore of the Ottawa River to and including Montreal, also intermediate points north of Lake Ontario and the St. Lawrence River, is the Montreal group, which takes either the Montreal rates (same as the New York rates) or percentages of the Montreal rates as shown in the table. The percentages shown in the table for Agincourt, Cobourg, Kingston, etc., closely approximate the percentages from C. F. A. Territory to the Rochester, the Syracuse, the Utica, and the Albany groups in the United States. This indicates that the rates from C. F. A. Territory to Canadian points are based in a manner very similar to that of the rates from C. F. A. points to eastern groups in the United States. On domestic shipments, the rates to Montreal and points taking the same rates are the same as the New York rates from the more distant C. F. A. points.

However, the export rates to Montreal are on the Philadelphia basis in general, and the exceptions are stated in the table. The rates to St. Johns and Sherbrooke, Que., also to points in Ontario and Quebec on the New York Central Lines are the same arbitraries over the Montreal rates, in general, as are applied to Boston over the New York rates. That is, the rates to these points are the same as those to Boston, with exceptions mentioned in the table.

To Quebec and other points taking the Quebec rates, the domestic rates are a 14-cent scale of arbitraries over the Montreal rates. On exports the rates to Quebec are the same as the current New York rates. To terri-

tory north and east of groups described above, to points located on the railways connecting with the Grand Trunk and the Canadian Pacific railways east of Toronto and west of Brockville, and to points south of the Canadian Pacific Railway and north of Lake Ontario and north and south of the St. Lawrence River, certain scales of arbitraries over the Montreal and New York rates are applied as shown in the table. In brief, the rates from C. F. A. Territory to eastern Canadian groups are based in a manner very similar to that of the rates from C. F. A. Territory to Trunk Line and New England groups. The general basis, as explained in Table 33, is applicable only between points and via routes where through percentages are in effect. Between points where there are no through percentages traffic is subject to the rates from or to the nearest prorating junction point. This is the general Canadian practice under the ruling of the Canadian Commission. The rule in the United States is that when no through rates are in effect the rates to intermediate points are the same as at the more distant point and not the same as at the nearest point. To a number of Canadian points from percentage points in C. F. A. Territory, the rates are the minimum to Canadian groups; and usually the rates to Portland, Me., or Boston, Mass., are the maximum to intermediate stations on the direct lines of the Grand Trunk and the Canadian Pacific railways passing through Ontario and Quebec.

(4) *Basis for Rates on Pig Iron.*—The basis for rates on pig iron in carloads from points specified in Table 36 to Canadian base points listed in the same table is set forth in that table. The same general basis applies

as was set forth in Table 33 for class rates. From C. F. A. points to Canadian points lying west of Buffalo the current Buffalo rates apply. However, the rates to Toronto and points taking the same rates are higher than to Buffalo, subject to the sixth-class rates as a maximum. To points lying east of the Toronto group and west of Montreal the rates are again certain percentages of the New York rates, except that to Brockville and certain other points the current Montreal rates are applied. The rates to Montreal are the current rates to Boston. Tables 33 and 36 should be consulted for the details. The explanations given above are for general comparative purposes and do not always state the exceptions shown in the tables.

2. Class Rates from Canadian Percentage Groups to Eastern Basing Points Specified

The Canadian percentage groups lying north of C. F. A. Territory for westbound rates are shown on Map 9. The grouping for eastbound rates is slightly different from that shown on Map 9, but the groups there shown are sufficient to give the general conception of the rate basis. The rates from percentage groups in Canada to the New York group were set forth in Chapter III. Table 37 shows the class rates from Canadian percentage groups to other eastern basing points specified. It should be noticed that from Canadian percentage groups, except the 73 per cent group, to Philadelphia and Baltimore the rates are the same as to New York. This is not true from percentage groups in the United States. It may

TABLE 36

Basis for Rates on Pig Iron in Carloads from Points Specified to Canadian Base Points

To Groups	From Groups: Chicago, Ill. Louisville, Ky.	Detroit Mich.	Cincinnati, O. Cleveland, " Ironton, " Jackson, " Mahoning " Wellston, " Columbus, "	Evansville, Ind.	East St. Louis Ill.	Cairo, Ill.
Windsor,[1] Sarnia [1].....Ont. Belle River,[1] Comber [1]...Ont. Kingsville,[1] Forest [1].....Ont. London,[1] Hamilton [1].....Ont.	Current	Buffal	o rates ap	ply		
Toronto [2] .....Ont.	50 cents falo ra a maxi	per gr tes, su mum	oss ton ov bject to si	er cu xth-cl	rrent ass rat	Buf- es as
To the following p centages of the cur	oints, the rent Mon	unde treal	rmentione rates app	d per- ly		
Agincourt,[2] Myrtle [2] ....Ont. Oshawa [2] .....Ont.	74%	68%	74%	76%	76%	76%
Cobourg [2] .....Ont.	80%	76%	80%	84%	84%	84%
Lindsay,[2] Peterboro [2]....Ont. Central Ontario Jct.[2].....Ont. Trenton,[2] Sharbot Lake,[2] Ont. Napanee,[2] Kingston [2].....Ont.	90%	80%	90%	91%	91%	91%
Brockville, [2] Prescott [2] ..Ont. Smith's Falls [2] .....Ont. Carleton Jct.,[2] Ottawa [2]..Ont.	Current Montreal rates apply					
Montreal [3] .....Que. St. Johns,[3] Sherbrooke [3]..Que.	Current Boston rates apply					
Quebec,[3] Point Levi [3]....Que.	$1.00					
Cacouna [3] .....Que.	1.60					
St. John,[3] McAdam Jct. [3] N. B.	2.00	Per gross ton over current Montreal rates				
Halifax [3] .....N. S.	2.00					
Mulgrave [3] .....N. S.	2.40					
Sydney [3] .....C. B.	2.80					

[1] On traffic from south of the Ohio River, forwarded via Cincinnati, Ironton, or other Ohio River Crossings east of Cincinnati, the Cincinnati proportional rate to Buffalo applies.

[2] On traffic from south of the Ohio River, forwarded via Cincinnati, Ironton, or other Ohio River Crossings east of Cincinnati, the local rate from Cincinnati must be used as a basis, subject to the current Montreal rate as a maximum to intermediate base points.

[3] On traffic from south of the Ohio River, forwarded via Cincinnati, Ironton, or other Ohio River Crossings east of Cincinnati, the proportional rate to Boston applies.

be recalled that the rates from percentage groups in the United States to Philadelphia are 2 cents for each of the six classes under those from the same groups to New York, and that to Baltimore the rates are 3 cents under those to New York. From the Canadian groups, however, the distance is approximately the same to Philadelphia and Baltimore as to New York, while from points in the United States the distance is less to Baltimore and Philadelphia than to New York. The rates shown in Table 37 to eastern groups other than the Baltimore and the Philadelphia groups are on the general percentage basis, but the grouping of Trunk Line Territory for rates from Canadian percentage territory, is not the same as from C. F. A. Territory. The names of the groups in Trunk Line Territory for rates from the Canadian percentage groups are shown in the left-hand column of Table 37. From Canadian percentage groups to New England and eastern Canadian groups the rate basis is similar to that from C. F. A. Territory to the same eastern groups. To summarize and generalize, the rate basis from percentage territory in Canada to eastern groups in the United States and Canada is roughly the same as from C. F. A. Territory to eastern groups in the United States and Canada. Albeit, there are important differences, some of which have been pointed out.

The all-rail rates of the New York-Chicago percentage system have now been set forth. But the class and the more important commodity rates eastbound and westbound have been presented. The following chapter will be devoted to rail-and-water rates.

TABLE 37

Class Rates from Canadian Percentage Groups to Eastern Basing Points Specified [1]

Item	To Eastern Groups	From Percentage Groups	Rates in Cents per 100 Pounds					
			Classes					
			1	2	3	4	5	6
1	Philadelphia, Pa. Baltimore, Md.	73 78–100	58½	50½	39	27½	23½	19½
			Same rates as to New York					
2	Albany, N. Y. Troy, N. Y. Schenectady, N. Y.	73	52½	45½	35	24½	21	17½
		78 78–A	56	48½	37½	26½	22½	18½
		80	57½	50	38½	27	23	19
		82	59	51½	39½	27½	23½	19½
		84	60½	52½	40½	28½	24	20
		85	61	53	41	28½	24½	20
		87	62½	54	42	29½	25	20½
		89	64	55½	42½	30	25½	21
		93	66½	58	44½	31	27	22
		100	72	62½	48	33½	29	24
3	Binghamton, N. Y.	73 78	52½	45½	35	24½	21	17½
		78–A	44½	38½	29½	21	18	15
		80	55	48	37	26	22	18
		82	56½	49	37½	26	22½	18½
		84	58	50	38½	27	23	19
		85	58½	50½	39	27	23½	19
		87	60	52	40	28	24	19½
		89	61	53½	41	28½	24½	20
		93	64	55½	43	30	26	21
		100	69	60	46	32	27½	23
4	Utica, N. Y.	73 78 78–A	51	44	34	24	20½	17
		80	54	47	36	25	21½	18
		82	55½	48	37	25½	22	18½
		84	56½	49	38	26½	22½	19
		85	57	49½	38	26½	23	19
		87	58½	51	39	27½	23½	19½
		89	60	52	40	28	24	20
		93	62½	54½	42	29	25	20½
		100	67½	58½	45	31½	27	22½

[1] Grand Trunk Railway System's tariff I. C. C. No. 1785.

TABLE 37—CONTINUED

ITEM	TO EASTERN GROUPS	FROM PERCENTAGE GROUPS	RATES IN CENTS PER 100 POUNDS					
			Classes					
			1	2	3	4	5	6
		73 78	49½	43	33	23½	20	16½
		78-A	44½	38½	29½	21	18	15
		80	51½	44½	34½	24	20½	17
5	Elmira, N. Y.	82	53	46	35½	24½	21	17½
	Corning, N. Y.	84	54	47	36	25½	21½	18
		85	54½	47½	36½	25½	22	18
		87	56	48½	37½	26	22½	18½
		89	57	50	38½	26½	23	19
		93	60	52	40	28	24	20
		100	64½	56	43	30	26	21½
		73 78	47	40½	31	22	19	15½
		78-A	40	34½	26½	18½	16	13½
		80	49	42½	33	23	19½	16½
6	Hornell, N. Y.	82	50½	44	33½	23½	20	17
	Wayland, N. Y.	84	51½	44½	34½	24	20½	17
		85	52	45	35	24	21	17
		87	53½	46½	35½	25	21½	17½
		89	54½	47½	36½	25½	21½	18
		93	57	49½	38	26½	23	19
		100	61½	53½	41	28½	24½	20½
		73	44½	38½	30½	21½	18½	15
		78 78-A	44½	38½	29½	21	18	15
		80	48	41½	32	22½	19	16
7	Syracuse, N. Y.	82	49	43	33	23	19½	16½
	Geneva, N. Y.	84	50½	43½	33½	23½	20	17
	Oswego, N. Y.	85	51	44	34	23½	20½	17
		87	52	45	35	24½	21	17
		89	53	46½	35½	25	21	17½
		93	55½	48½	37	26	22½	18½
		100	60	52	40	28	24	20

TABLE 37—CONTINUED

ITEM	TO EASTERN GROUPS	FROM PERCENTAGE GROUPS	RATES IN CENTS PER 100 POUNDS					
			Classes					
			1	2	3	4	5	6
8	Rochester, N. Y. Mt. Morris, N. Y. Depew, N. Y.	73	44	38	30½	21½	18½	15
		78 78–A	40	34½	26½	18½	16	13½
		80	44½	38½	29½	20½	18	15
		82	45½	39½	30½	21	18	15
		84	46½	40½	31	22	18½	15½
		85	47	40½	31½	22	19	15½
		87	48	42	32	22½	19	16
		89	49	43	33	23	19½	16½
		93	51½	45	34½	24	20	17
		100	55½	48	37	26	22	18½
9	Ogdensburg, N. Y.	73	..	..	..	..	..	..
		78 78–A	65½	56½	44	31½	26½	21½
		80	67	58	45	32	27	22
		82	68½	59½	46	32½	27½	22½
		84 85	70	60½	47	33½	28	23
		87	72	62½	48½	34½	29	23½
		89	73½	64	49½	35	29½	24
		93	76½	66½	51½	36½	31	25
		100	82	71	55	39	33	27

CHAPTER V

RAIL-AND-WATER RATES

1. Westbound Rates

The all-rail rates westbound from Trunk Line and New England Territories were set forth in Chapter II. The various combinations of rail-and-water rates westbound from Trunk Line and New England territories to percentage territory in the United States and Canada and certain other western points, are based approximately on the same grouping of Trunk Line and New England territories as that for all-rail rates. This grouping is shown on Map 9.

(1) *Rail-and-Lake Rates from Trunk Line and New England Territories.*—Table 38 shows the basis for rail-and-lake rates on classes from eastern groups specified in the table to western points specified. The western grouping is quite different from that shown on Map 3. The table merely specifies certain group points; other stations located near these group points are grouped with the stations mentioned. In addition to percentage territory in both the United States and Canada, Table 38 shows other groups west of Lake Michigan and south of Lake Superior and including the Duluth and the St. Paul groups. The table should be consulted for specific arbitraries under or over other rates applying on rail-and-lake shipments. In general, however, it may be

stated that the rail-and-lake rates are certain arbitraries under the all-rail rates between the same points. The rates to Duluth are at present the same as the rail-and-lake rates to Chicago, except that these rates may not be higher than the differentials shown in Table 38 under the lake-and-rail rates to St. Paul. That is, the 21-cent scale of differentials shown opposite Duluth is made the minimum differential scale for Duluth rates under the St. Paul rates. Prior to Opinion No. 2390 of the Inter state Commerce Commission of June 9, 1913,[1] the rail-and-lake rates from points east of the Illinois-Indiana State Line to Duluth and other points grouped therewith are arbitraries higher than the rail-and-lake rates to Chicago. The decision of the Commission mentioned prescribed rail-and-lake rates to Duluth on the same basis as to Chicago, and also forbade the exaction of rates to Duluth higher than the differentials specified in the table under the St. Paul rail-lake-and-rail rates. This decision was made on the complaint of the Commercial Club of the City of Duluth that rail-and-lake rates to Duluth were both unreasonable and discriminatory against Duluth and in favor of St. Paul. At the time this treatise was prepared there was a probability that the decision above referred to would be accepted by the carriers as to class rates but that there might be a reopening of the case as to commodity rates.

The rates to Sault Ste. Marie, Mich., and other points specified are differentials shown in item 5 of Table 38 higher than the rail-and-lake rates from New York to Chicago. The lake-and-rail rates to points south and

[1] 27 I. C. C. Rep., 639.

TABLE 38

[1] BASIS FOR RATES VIA RAIL AND LAKE ON CLASSES FROM EASTERN GROUPS TO WESTERN POINTS SPECIFIED

ITEM	FROM NEW YORK RATE GROUP TO	RATES OR DIFFERENTIALS IN CENTS PER 100 LBS. Classes 1	2	3	4	5	6	REMARKS
1	Chicago, Ill., Milwaukee and Manitowoc, Wis. Also to Gladstone and Sault Ste. Marie, Mich., for Lake Line Delivery	13	11	9	5	5	4	Lower than New York-to-Chicago all-rail rates
2	Cleveland, Ohio	3	3	2	2	1	1	Lower than all-rail rates
3	Detroit and Port Huron, Mich.	8	6	4	3	2	2	Lower than all-rail rates
4	Duluth, Minn., Superior, West Superior, Wis., Marquette, Hancock, Houghton, Dollar Bay, and Hubbel, Mich.	21	18	13	8	7	5	Same rates as from New York to Chicago via rail and lake but not higher than the differentials shown on the left under the rail-and-lake rates to St. Paul.
5	Sault Ste. Marie, Mich., and stations on M. St. P. & S. S. M. Ry., St. Mary's Transfer to Rapid River and Trenary, Mich., inclusive, via Lake Lines to Gladstone, Mich., thence via rail.	3	3	3	3	2½	2½	Higher than New York-to-Chicago rail-and-lake rates
6	St. Paul rate territory	15	13	9	5	4	2	Higher than Duluth rail-and-lake rates

TABLE 38—CONTINUED

ITEM	FROM NEW YORK RATE GROUP TO	RATES OR DIFFERENTIALS IN CENTS PER 100 LBS. Classes 1	2	3	4	5	6	REMARKS
7	Racine, Joliet, Kankakee, Aurora, Streator, Neponset, Laura, Galva, Annawan, Atkinson, Danville, St. Mary's, Westville, Peoria, Mason City, Altamont, St. Louis, Trans-Mississippi, Carthage, Monmouth, Moline rate territories	10	8	6	4	4	3	Lower than all-rail rates
	FROM PHILADELPHIA RATE GROUP TO							
8	All destination territories above enumerated	6	6	2	2	2	2	Lower than rail-and-lake rates from New York
	FROM BALTIMORE RATE GROUP TO							
9	All destination territories above enumerated	8	8	3	3	3	3	Lower than rail-and-lake rates from New York
	FROM POINTS IN VICINITY OF NEW YORK NOT TAKING NEW YORK BASIS ON RAIL-AND-LAKE RATES TO							
10	Galion, Tiffin, Forest, Findlay, Urbana, Springfield, Dayton, Ansonia, Union City, Cincinnati, Winchester, Muncie, Anderson, Indianapolis, Fairmont, Lebanon, Martinsville, and Crawfordsville rate territories	10	8	6	4	4	3	Lower than New York all-rail rates

TABLE 38—CONTINUED

ITEM	FROM BOSTON RATE GROUP TO	RATES OR DIFFERENTIALS IN CENTS PER 100 LBS. Classes 1	2	3	4	5	6	REMARKS
11	Cleveland, Ohio	5	4	3	3	2	1	Lower than New York all-rail rates
12	Detroit, Port Huron, Chicago, Milwaukee, Manitowoc, Gladstone, Sault Ste. Marie, Duluth, Superior, West Superior, Marquette, Hancock, Houghton, Dollar Bay, Hubbel, St. Paul, Racine, Joliet, Kankakee, Aurora, Streator, Neponset, Laura, Galva, Annawan, Atkinson, Monmouth, and Moline rate territories							Same as rail-and-lake rates from New York
13	Danville, St. Mary's, Westville, Peoria, Mason City, Altamont, St. Louis, Trans-Mississippi, and Carthage rate territories	5	4	3	3	2	1	Lower than New York all-rail rates
14	Canadian points							Via recognized differential lines, rates are not less than those established from New York to same points via Long Island Sound routes

TABLE 38—CONTINUED

(2) BASIS FOR RATES VIA OCEAN AND RAIL ON CLASSES FROM EASTERN GROUPS TO WESTERN POINTS SPECIFIED

ITEM	FROM NEW YORK RATE GROUP TO	RATES OR DIFFERENTIALS IN CENTS PER 100 LBS. Classes 1	2	3	4	5	6
	76D % and 78D % points via N. Y., O. & W. Ry., via Niagara Frontier All points, via People's Line Steamers and rail via Rouse's Point, N. Y., not less than standard all-rail rates apply	53	46	35	24	21	18
15	76C, 76D, 78C, 78D % points via water-and-rail lines via Long Island Sound, New London, Conn., or Boston, Mass., or Portland, Me.	51	45	35	24	20	18
	Points taking higher than 78% rates via water-and-rail lines via Long Island Sound, New London, Conn., or Boston, Mass., or Portland, Me., are not less than on basis of the following differentials below standard all-rail-rates	8	6	4	3	3	2

west of Chicago shown in item 7 of the table are arbitraries under the all-rail rates to the same points.

The water-and-rail rates from New York and other points to Canadian percentage groups shown on Map 9 are set forth in item 15 of the table. The rates from New York via the N. Y. O. & W. Ry. via the Niagara Frontier are slightly less than the all-rail rates, but from New

York to Canadian percentage groups via Rouse's Point rates are not less than the standard all-rail rates. From New York points to points taking not higher than 78 per cent of the rates from New York to Chicago, via water lines through Long Island Sound and New England ports, rates are slightly less than the all-rail rates as shown by the differentials in item 15 of Table 38.

To other Canadian percentage groups taking higher than 78 per cent via Long Island water routes through New England ports, rates are certain arbitraries under the all-rail rates.

From Philadelphia and Baltimore via rail-and-lake to all destination groups named in Table 38, except Canadian percentage territory, the rail-and-lake rates are the regular Philadelphia and Baltimore differentials under the rail-and-lake rates from New York to the same points. The Philadelphia and Baltimore differentials are the 6-cent and 8-cent scales in item 6 of Table 7.

From certain points in the vicinity of New York City to certain groups in C. F. A. Territory the rail-and-lake differentials are the 10-cent scale shown in Table 38. This scale of differentials is slightly lower than the regular scale applying from New York proper. Enough has been stated concerning the rail-and-lake rates to show that in general they are differentials under the all-rail rates between the same points. The table should be consulted for details not mentioned.

The groups shown in Table 38 are not all of the groups shown on Map 9. The rates from other groups of origin to the same destinations are fixed upon a relative basis with regard to mileage, geographical relation, and competition, using the same percentages and arbitraries as are used in constructing all-rail rates from these eastern

groups. This basis was explained in Chapter II and set forth in Table 7. As in the case of all-rail rates the rail-and-lake rates are fixed via the shorter or more direct routes but apply also via the longer or more circuitous routes. For this reason the fourth section of the Act to Regulate Commerce is frequently violated via the circuitous routes. In general, however, the fourth section is strictly complied with via the more direct routes. That is, rail-and-lake rates to or from intermediate points are not higher than rail-and-lake rates to or from the more distant points, in general, via the direct routes. Rail-and-lake rates from the more distant points are frequently less than all-rail rates from intermediate points. However, the Commission has ruled that the same kind of rates must be considered when applying the fourth section of the Act to Regulate Commerce. That is, all-rail rates must be compared with all-rail rates, rail-and-lake rates with rail-and-lake rates, export rates with export rates, import rates with import rates, etc.

(2) *Rail-and-Lake and Rail-Lake-and-Rail Rates from C. F. A. Territory.*—The basis for rates from C. F. A. Territory to Lake Huron, Lake Superior, and Lake Michigan ports, also Detroit, Port Huron, St. Paul, and points taking the same rates is set forth in Table 39. For rates between these territories C. F. A. Territory is divided into the following groups:

Akron .....Ohio
Beaver .....Pa.
Cambridge .....Ohio
Canal Dover....Ohio
Canton .....Ohio
Cincinnati .....Ohio
Columbus .....Ohio
Dayton .....Ohio
Ellwood City.....Pa.
Evansville .....Ind.
Hamilton .....Ohio
Indianapolis.....Ind.
Jeffersonville ....Ind.
Louisville .....Ky.
Mahoning and Shenango Valley Points ...Ohio-Pa.
Marietta .....Ohio
Massillon .....Ohio
New Albany....Ind.
New Comerstown ..... Ohio
New Philadelphia ..... Ohio
Orrville .....Ohio
Parkersburg, W. Va.
Pittsburgh .....Pa.
Springfield ....Ohio
Steubenville ...Ohio
Toledo .....Ohio
Wheeling ....W. Va.
Zanesville .....Ohio

and points taking the same rates or arbitraries higher as named in the tariffs carrying these rates. The groups of destination are shown in the items of the table and in the footnotes to the individual items. From C. F. A. Territory to a number of the groups the rates are made by a combination of the local rates to and from the Lake Erie ports, observing the rail-and-lake rates from Baltimore, Md., as maxima. From C. F. A. Territory to other groups the rates are usually certain differentials under the all-rail rates, subject in some cases to the combination of local rates to and from Lake Erie ports and the rail-and-lake rates from Baltimore, Md., as maxima.

TABLE 39

BASIS FOR RATES VIA RAIL AND LAKE AND VIA RAIL, LAKE, AND RAIL FROM C. F. A. TERRITORY TO LAKE HURON, LAKE MICHIGAN, AND LAKE SUPERIOR PORTS, ST. PAUL, AND POINTS TAKING THE SAME RATES [1]

ITEM		DIFFERENTIALS IN CENTS PER 100 POUNDS						REMARKS
		Classes						
		1	2	3	4	5	6	
1	Alpena (Au Sable, Oscada, Harrisville, and Alpena, Mich.)	..	..	..	..	..	..	Combination of local rates to and from Lake Erie ports, observing the rail-and-lake rates from Baltimore, Md., to Sault Ste. Marie, Mich., as maxima
2	Bay City (Bay City, Saginaw, La Peer, and Flint, Mich.)	3	3	3	2	1	1	Less than all-rail rates

[1] The groups of C. F. A. Territory are shown on page 133.

TABLE 39—CONTINUED

ITEM		DIFFERENTIALS IN CENTS PER 100 POUNDS						REMARKS
		Classes						
		1	2	3	4	5	6	
3	Cheboygan (Mich.)[2]	..	..	..	..	..	..	Combination of local rates to and from Lake Erie ports, observing the rail-and-lake rates from Baltimore, Md., as maxima
4	Detroit (Detroit and Sugar Island Park, Mich.)	3	3	3	2	1	1	Less than all-rail rates
5	Duluth (Minn.)[3]	..	..	..	..	..	..	Combination of local rates to and from Lake Erie ports, observing the rail-and-lake rates from Baltimore, Md., as maxima
6	Gladstone (Mich.)	..	..	..	..	..	..	Combination of local rates to and from Lake Erie ports, observing the rail-and-lake rates from Baltimore, Md., as maxima
7	Harbor Beach (Lexington, Port Sanilac, Forester, Harbor Beach, and Port Hope, Mich.)	3	3	3	2	1	1	Less than all-rail rates, subject to combination of local rates to and from Lake Erie ports and rail-and-lake rates from Baltimore, Md., as maxima

[2] Glen Haven, Glen Arbor, South Manitou, North Manitou, Leland, Northport, Omena, Suttons Bay, Traverse Bay, Elk Rapids, Old Mission, Norwood, Charlevoix, Ironton, South Arm, East Jordan, Boyne City, Petoskey, Harbor Springs, St. James, St. Ignace, Rogers City, Cheboygan, and Mackinac Island, Mich., except that when via the C. & D. Tr. Co., St. Ignace and Mackinac Island, Mich., take Sault Ste. Marie rates.

[3] Duluth and Superior, Wis., points on shore of Lake Superior from Superior, Wis., to but not including Ashland, Wis., territory, lying north of line of the C. & N. W. Ry., Ashland to Saxon, Wis.; thence territory north of the line of the D. S. S. & A. Ry., Saxon, Wis., to Marquette, Mich.; thence all points on shore of Lake Superior to but not including Sault Ste. Marie, Mich., also Sault Ste. Marie, Ft. Williams, and Port Arthur, Ontario.

TABLE 39—CONTINUED

ITEM		DIFFERENTIALS IN CENTS PER 100 LBS. Classes 1	2	3	4	5	6	REMARKS
8	Port Huron (Marine City, St. Clair, Port Huron, Sarnia, and South Port Huron, Mich.)	..	..	..	..	..	..	All-rail rates, subject to rail-and-lake rates to Bay City, Mich., as maxima
9	St. Paul (Minn.)[4]	10	10	10	5	5	5	Less than all-rail rates
10	Sault Ste. Marie (Mich.)[5]	..	..	..	..	..	..	Combination of local rates to and from Lake Erie ports, observing the rail-and-lake rates from Baltimore, Md., as maxima

[4] East of the Mississippi River, Minneapolis, Minn., to La Crosse, Wis., including South St. Paul, Red Wing, St. Louis Park, Hopkins, and Winona, Minn.; thence on and north of the line of the C. M. & St. P. Ry., through Portage, Wis., to Madison, Wis.; thence via an imaginary line to Schleisingerville, Wis.; thence on and west of the line of the M. St. P. & S. S. M. Ry., to Fond du Lac, Wis.; thence on, north, and west of the line of the C. & N. W. Ry., through Sheboygan, Wis., to Manitowoc, Wis.; thence on and south of the line of the St. P. & S. S. M. Ry., to Menasha, Wis.; thence on and west of the line of the C. & N. W. Ry. to Green Bay, Wis.; including stations Green Bay to Kewaunee, Wis., on the R. G. B. & W. R. R.; thence on and west of the west shore of Green Bay and north bank of the Menominee River to Menominee, Mich.; thence on, west, and north of the line of the C. & N. W. to Narenta, Mich.; thence north of an imaginary line to Larch, Mich. (M. St. P. & S. S. M. Ry.), including stations west thereof on the M. St. P. & S. S. M. Ry.; thence via an imaginary line to a point west of Alecto, Mich., on the C. & N. W. Ry.; thence on and west of the line of the C. & N. W. Ry. to Ashland, Wis.; and thence south of the shore of Lake Superior to the city limits of Superior, Wis.; thence south of the corporation boundaries of Superior, Wis., to a point whence an imaginary line drawn westward to Cloquet, Minn., will include Summit, Minn., on the Northern Pacific Ry.; thence on and east of the line of the Northern Pacific Ry.; to Minneapolis, Minn., the point of beginning.

[5] Stations on the M. St. P. & S. S. M. Ry., Masonville to Sault Ste. Marie, Mich.; Detour, Mich., via the Arnold Transit Co.; Mackinac Island and St. Ignace, Mich., via the C. & D. Tr. Co.

The rates presented in Table 39 are fixed via the shorter or more direct routes but apply also via the longer or

more circuitous routes. The lines that comprise the shorter or more direct routes from and to some groups are the longer and more circuitous routes from and to other groups, and the fourth section of the Act to Regulate Commerce is violated in many cases via the circuitous routes.

(3) *Ocean-and-Rail Rates.*—In addition to the all-rail and rail-and-lake rates established from New York and New England, which have been explained, there are also rates applying via ocean-and-rail routes from New York via New England ports to western points, and also from Boston and Providence via water through Baltimore and the Virginia ports. These rates are established on stated differentials under the standard all-rail rates, but during the period of lake navigation, they are in some instances the same as the rail-and-lake rates.

(4) *Ocean-Rail-and-Lake Rates.*—Certain traffic is carried from New York via ocean-rail-and-lake routes. The principal route of this character is from New York via Long Island Sound to New London, thence via rail to Georgian Bay, and thence via lake. The scale of rates via this route from New York to Chicago is shown in Table 1 and is established on a stated differential lower than the rates of the standard rail-and-lake routes.

(5) *River-Canal-and-Lake Rates.*—There are also rates applying via the Hudson River, the Erie Canal, and the Great Lakes from New York to western points. The scale of rates from New York to Chicago via the river-canal-and-lake route is shown in Table 1 of this treatise. It is on a 42-cent scale, or a 33-cent scale of differentials under the all-rail rates or a 10-cent scale of differentials under the ocean-rail-and-lake rates or a 20-cent scale of differentials under the ocean-and-rail or the rail-and-lake rates.

2. Eastbound Rates

(1) *Rates via Rail and Lake and via Rail, Lake, and Rail.*—From percentage points [1] to Trunk Line, New England, and Canadian freight association territories and to the Western Termini the rail-and-lake rates are the same as the rail-lake-and-rail rates. These rates from Chicago to New York are shown in Table 1 of this treatise. The scale of rates is a 63-cent scale, or a 12-cent scale of differentials under the all-rail rates. This scale of differentials for rail-and-lake shipments eastbound is a 12-cent scale, while the differentials for westbound rail-and-lake shipments is a 13-cent scale.

(2) *Rail-and-Ocean Rates.*—The basis for rates via rail and ocean from C. F. A. points to North Atlantic seaports and interior eastern points is set forth in Table 40. The ocean-and-rail rates eastbound apply via two distinct groups of points, namely, (1) Baltimore and Philadelphia and (2) the Virginia ports, including Norfolk and Newport News. The rail-and-ocean rates via Baltimore and Philadelphia cannot, of course, apply to points taking the Baltimore and Philadelphia rates. To New York and the New England ports specified and points taking the same rates, the rates are the differentials under the all-rail rates shown in item 1 of the table. The rates through the Virginia ports are the arbitraries under the all-rail rates shown in item 2 of the table. However, the rates from points of origin, except the 117 per cent group, to Baltimore via all rail are the minima for through rates to the eastern ports and points taking the same rates. The rates through the Virginia ports apply via

[1] Map 4.

the ocean to Philadelphia, Baltimore, New York, and New England ports. However, the all-rail rates to Baltimore being uniformly 3 cents, and those to Philadelphia 2 cents, under the New York rates, the differentials under the all-rail rates to New York and Philadelphia are less than to Boston and other New England ports. The differentials via rail and ocean to New York are 3 cents for the first four classes and 2 cents for Classes 5 and 6. The differentials to Philadelphia are 1 cent under the all-rail rates.

TABLE 40

BASIS FOR RATES VIA RAIL AND OCEAN FROM CENTRAL FREIGHT ASSOCIATION POINTS TO NORTH ATLANTIC SEABOARD PORTS AND INTERIOR EASTERN POINTS

ITEM	TO POINTS SPECIFIED IN ITEMS	FROM PERCENTAGE POINTS	DIFFERENTIALS IN CENTS PER 100 POUNDS — CLASSES 1	2	3	4	5	6	REMARKS
1	To Boston [1] and Fall River, Mass., Providence, R. I., and	60–76	3	2½	2	1½	1	1	Under all-rail rates
	New York via Baltimore and Philadelphia	77–119	8	6	4	3	2	2	Under all-rail rates [2]
2	To all points specified in the heading of the table via Virginia ports	60–119	8	6	4	3	2	2	Under all-rail rates [3]

The differentials on cotton and leaf tobacco are 2 cents per 100 pounds under the all-rail rates. On a commodity rate which is the same as a standard class rate between

[1] But not to Boston via Fall River or Providence.

[2] But not less than rates established from 76 per cent points.

[3] The rates to Baltimore via all rail are the minima for through rates, except from St. Louis and other 117 per cent points. From the St. Louis group the Baltimore rates are not the minima.

the same points the authorized class differential for that class applies on the commodity. On a commodity rate not the same as a standard class rate between the same points the differential is that of the class which the commodity rate most nearly approximates. When a regularly authorized commodity rate as nearly approximates one class as another the differential for the next higher class applies. Eastbound rates on certain commodities are established on a basis not in accordance with the general basis outlined above.

To some interior eastern points the rates are the same as apply to the ports, but to others the rates are arbitraries over the port rates. The rail-and-ocean rates that have been described above are established via the shorter or more direct routes but apply also via the longer or more circuitous routes; and in the observance of such adjustments via the circuitous routes, the fourth section of the Act to Regulate Commerce is violated.

From points in C. F. A. Territory taking 60 to 76 per cent of the rates applying from Chicago to New York to the South Atlantic ports via rail to the North Atlantic ports, and thence via ocean to Brunswick and Savannah, Ga., Charleston and Georgetown, S. C., Jacksonville, Fla., and Wilmington, N. C., the rates are made with relation to the rates published from Buffalo and other Western Termini. From points in C. F. A. Territory taking higher than 76 per cent of the rates from Chicago to New York to South Atlantic ports via North Atlantic ports and ocean, the proportional rates applying from points of origin to New York, Philadelphia, and Baltimore are the full local rates from points of origin to those ports. The through rates are the sums of the local rates to the ports plus the rates charged by the ocean steamers.

Rail-and-water competition has been a most potent factor in adjusting the rates between Chicago and New York. The all-water route through the Hudson River, the Erie Canal, and the Great Lakes between New York and Chicago was at one time a route in powerful competition with the all-rail carriers. Later the combination of water-and-rail carriers have been more potent competitors of the all-rail lines than the all-water route mentioned above. There is also the all-water route through the St. Lawrence River and the Great Lakes, over which some traffic in exports and imports still moves which would otherwise go overland through New York or other Atlantic ports. With all of the various combinations of water-and-rail routes the all-rail routes have met doughty competitors. This strong competition has forced a remarkably low basis for rates between Chicago and New York. These low rates have been extended to the territory of the entire New York-Chicago rate system, and the shippers between all points in the New York-Chicago territory have been placed in a very advantageous position in the matter of cheap freight rates. Distance has been the chief factor in constructing these rates, although competition has played a very important part and has modified the basis to a considerable extent. Between points east of the Western Termini on the one hand, and points west of these points as far as the Mississippi River on the other, the rates are lower than for any area of similar extent in the United States. This is especially significant because of the extraordinarily large movement of freight in this territory.

CHAPTER VI

DEVELOPMENT OF THE NEW YORK-CHICAGO RATE SYSTEM

The exposition that has thus far been given of the New York-Chicago Rate System explains only how rates are now computed by the use of the percentages applicable to the percentage belts. It remains to explain how these percentage belts themselves were determined and to give a brief history of the development of the system. The percentage plan of making rates in this territory is said to have been proposed in 1876 by a rate clerk named MacGraham in the offices of the Pennsylvania Railroad. Although the credit for the introduction of the New York-Chicago rate system has been ascribed to Mr. MacGraham, and although this system has been called the MacGraham System, it is probable that the percentages were first applied in certain instances only, and that later the general application was made.

The records of the Trunk Line Association office indicate that the MacGraham table of percentages for determining westbound rates was first applied by the Trunk Lines on September 15, 1871. At this time the percentage prescribed for constructing Peoria rates was 112 per cent of the New York-Chicago rate. This percentage was applied to articles which were assigned a special rate, such as sugar, coffee, and molasses.

While percentages were also at the same time pre-

scribed for constructing the St. Louis rate, it is not clear that these percentages applied generally, as the rate cannot be computed on that basis. But as far back as 1870, the percentage basis was applied when commodity rates existed to a greater or less degree, the general scheme being varied from, to determine particular rates to particular places, such as St. Louis and Cincinnati.

It is well known that since 1877 a percentage scale, either the MacGraham table or a revision thereof, was generally applied to westbound class rates, and also to any commodities which may have been established.

However, Mr. MacGraham should be given credit for making the general application of the percentage scheme, which has proved the most satisfactory and stable interstate rate system in the United States, and under which, perhaps, more than half the freight of the United States and Canada moves either in part or throughout its entire route.

The causes leading to the adoption of a systematic rate system by the trunk lines about 1876, are worthy of the consideration of all serious students of rate-making. Between 1874 and 1876, there were only four through lines between Chicago and the Atlantic Seaboard. During this period, most disastrous rate wars occurred between these lines. The largest item of traffic was grain, eastbound. As late as 1882, 73 per cent of the trunk-line tonnage eastbound consisted of grain and grain products. The larger part of this grain traffic was gathered up along the lines east of the Mississippi River. The large elevator centers had not arisen, and the states of Illinois, Indiana, and Ohio were at this time served by a number of small cross lines which gathered up the grain and delivered it to one of the trunk lines or to a lake line for

eastern shipment. Rail rates were still high in comparison with the present rates. They were, on an average, roughly twice the average rate at the present time. Moreover, the conditions of railway operation not having at that time attained the present state of efficiency, water competition was a matter for more concern than at present. Professor William Z. Ripley has well expressed some of the conditions of competition that indicate the gravity of the rate problem at that time in the following two paragraphs.

Among these confusing elements in the problem of trunk line rate adjustment five distinct phases were prominent. In the first place the four trunk lines were a unit in opposition to the diversion of traffic to the Great Lakes and the Erie Canal. However much they might bicker with one another afterwards, apportionment of the rail business being a distinct feature of the problem, their interests at the outset were identical respecting the necessity of holding the business on land. Water competition by way of the lakes or the Ohio River was a danger common to them all. The intensity of this pressure may be understood from the statement that the trunk lines were not even consulted in making the Chicago-New York rate on which the western lines prorated. They had no voice in it, merely accepting the figure offered them by their connections into Chicago. The second feature of the problem, namely the division of the all-rail traffic among the competing carriers is immaterial to the main question before us. Thirdly, it was essential to the trunk lines to restrict and control the activities of the subsidiary cross lines and feeders, most of which, as has been said, were independent. Many of these, aside from having a direct interest in their longest haul to a terminus on the lakes or the Ohio River, had been built by local capital, and were administered in the interest of the lake cities or Cincinnati and Louisville. There was no unity whatever in their policies, and the most ridiculous wastes of transportation resulted. Grain was literally meandering toward the east instead of moving by a direct route. Joint through rates would be made by the

most extraordinary chain of connecting links leading to the seaboard by various circuitous ways.

A fourth evil, akin to this, consisted of the difficulty of maintaining through rates, not as among the trunk lines who might be made parties to a pool, but by reason of cutthroat competition between their western connections. The agents of these western lines would indiscriminately cut rates to or from points on their lines, and then expect their trunk line connections to accept a proportionate shrinkage of the joint through rate for their part of the haul. The weaker companies would, of course, be susceptible to such temptations in order to secure the business. No stable apportionment of this western traffic among the eastern lines would be possible until they could agree upon a fair rate for the trunk line haul, and rigidly adhere to it. And, finally, water competition, causing constant fluctuations in the lake and Ohio River rates, while directly potent only at water-way points, was continually putting the through rates from these points out of line with the local rates from noncompetitive inland centers. Or, perhaps, the Ohio river and lake rates would be out of joint with one another. The Chicago basis, if applied to Paducah, would make a rate on tobacco that would send it via New Orleans. Products would go down the Mississippi after the lakes had been closed by ice. A considerable amount of corn was certainly moved to New York by that route. Some device for coordination of the through and local rates—or, as one might put it, for the distribution of the localized shock of water-rate changes—was imperatively necessary.

The system as first adopted in 1876 made the New York-Chicago rates the basis for other rates between the Atlantic Seaboard and the central west. Points in Central Freight Association Territory took the percentage of the New York-Chicago rates that distance from New York determined. A point 60 per cent of the New York-Chicago distance from New York, for example, took 60 per cent of the New York-Chicago rates.

In 1879, however, the system was modified so as to al-

low for terminal charges before computing the percentage of the New York-Chicago rates. The general method of the modified system, which is the system still in effect, may be illustrated by a statement of its application to any point. Springfield, Ohio, for example, for eastbound rates is in the 82 per cent group (Map 4). Xenia is the base point for that group. Its distance to New York at the time this system was established was 700 miles. A rate of 25 cents was assumed as an average rate for all classes and commodities between New York and Chicago. Six cents was then deducted for the terminal charges at both ends of the haul. The remaining 19 cents represented the assumed charge for the haul exclusive of any service at the terminals. This rate of 19 cents being divided by the New York-Chicago distance of 920 miles gave 2.06 mills as the charge per ton-mile between New York and Chicago; and this rate per mile was used as the factor for establishing an assumed rate from any particular junction or competitive point on the basis of its mileage to New York. The charge of 2.06 mills per ton-mile, above referred to, multiplied by 700, the distance from Xenia, Ohio, to New York gives 14.42 cents; and if to this we add the 6 cents representing the terminal expenses at both ends of the movement, we get 20.42 cents as an assumed rate from Xenia to New York. This 20.42 cents is 81.7 per cent of the assumed rate of 25 cents from Chicago to New York; and under the application of the general rule for the disposition of fractions resulting from such computation, a fraction of one-half of a per cent or more is considered a full per cent. A percentage of 82 is thus arrived at as the basis for constructing rates from that group, and the rates from Springfield to New

York are, therefore, 82 per cent of the rates from Chicago to New York.

This was the system as revised in 1879. There was an understanding among the carriers not to cut the rates at competitive points below the established basis. There was no agreement that rates should not be made more than those established as minima. However, competition and the fourth section of the Act to Regulate Commerce have caused the percentages to be applied as both maximum and minimum rates.

A glance at Maps 3 and 4 will show the irregularities of the percentage belts. For example, the 87 per cent belt for eastbound rates shows territory around Charleston, W. Va., as a slender high-heeled shoe, whereas the westbound map shows territory around Charleston in 87 per cent territory in a very different shape. Lexington and Winchester, Ky., are shown in a small strip as 100 per cent territory for eastbound rates on Map 4. No such application is made to these points on the westbound Map 3. On the eastbound rates, Vincennes, Ind., takes 103 per cent territory and on westbound shipments, 108 per cent. Evansville, Ind., takes 105 per cent on eastbound shipments, and 110 per cent on westbound shipments. The southern part of the 110 per cent belt for eastbound rates is in the form of a sharp point, whereas for westbound rates, it spreads to the east in enlarged form. On westbound rates the percentage is higher for a considerable belt north and east of Evansville. The rates vary, not only for eastbound and westbound movements, but the belts themselves for both the eastbound and the westbound rates are irregular, as may be seen by a glance at Maps 3 and 4.

Several factors have tended to make the territories

quite irregular, but competition between rival carriers and between commercial centers has been the chief cause. (1) The system, as first applied, affected common points only, that is, points at which more than one east-and-west route competed for the business. Competition between the carriers tended to extend the belts to the westward at important junction points. An inspection of Maps 3 and 4 will show that usually the large centers such as Fort Wayne, Indianapolis, Louisville, Evansville, Peoria, etc., are located either on the extreme western borders of the percentage groups or very near them.

(2) Another disturbing factor has been the north-and-south lines. The Monon Route (Chicago, Indianapolis & Louisville Railway), for example, originally lay across the 96, 97, and 100 per cent groups. If this line carried business to and from the east, points on the line must be in the same belt; otherwise, there would be a violation of the fourth section of the Act to Regulate Commerce. Hence, the demand was made that points on its lines be accorded the 100 per cent group. Other lines have made the same complaint, and similar changes have been made. This factor of the cross-line influence has been very potent in affecting the grouping.

(3) The third important factor, affecting the grouping so as to modify a symmetrical arrangement, is that of commercial competition of the cities and manufacturing and distributing centers. A number of changes from the original grouping have been made on this account. Hundreds of requests have been filed with the railways and freight committees for changes in the grouping of commercial centers, and minor changes are continually being made. For example, Grand Rapids, Mich., and Saginaw, Mich., were once in the 100 per cent territory. Grand

Rapids is now accorded 96 per cent territory, and Saginaw 92 per cent. Shifts in both directions have sometimes occurred. New roads have been built and new and shorter routes established since the percentages of the original groups were assigned. Newly developed traffic and other conditions have also been considered and from time to time have led to alterations in the percentages of certain points. The effect of these influences on the form and boundaries of the percentage zones is not without significance. Changes are continually being made for commercial considerations. A factory of one center wishes to be on an equality with the factory of another, or the dealers of one center wish to be placed on an equality with those of another. New factories are being erected and new distributing industries built up from time to time. In the large, however, the percentage system has been adhered to rather closely.

No group rates in the United States have been subjected to less change or criticism than the New York-Chicago Percentage System. In the Saginaw case [1] an attack was made before the Interstate Commerce Commission on the assignment of a percentage to a certain group. The complainants did not criticize the reasonableness of the rates in and of themselves. The claim was that the rate to Saginaw, Mich., and group points (Maps 3 and 4) were too high in comparison with rates to other groups, more especially to the 78 per cent group including Toledo, Detroit, and Port Huron. The Saginaw Valley group takes 92 per cent of the New York-Chicago rates, while Detroit, Toledo, and Port Huron are in the 78 per cent group. The complaint was that the jobbers

[1] 17 I. C. C. Rep., 128-38.

out of the 78 per cent group could supply the retail dealers in territory that should be contributory to Saginaw at less cost than could the Saginaw dealers. The percentage of the Saginaw and Flint group was arrived at originally on the basis of the mileage by the Pere Marquette Railroad from Flint to Toledo and thence by the Pennsylvania Lines to New York. This haul, in 1892, when the rates were adjusted to this group, was a distance of 828 miles, and on the formula of distance rates between New York and Chicago, Flint was given the 92 per cent basis. This percentage was extended to Saginaw, which is even further from New York than Flint. At that time, the Grand Trunk Route through Port Huron to Saginaw was 823 miles from New York, which would give Saginaw practically the same percentage belt. Later, however, the Grand Trunk reduced its distance from Port Huron to Buffalo from 229 to 196 miles. The complainants made the plea that since the present short mile distance between Saginaw and New York through the Port Huron gateway was only 731 miles, that Saginaw should be placed in 84 per cent territory according to the New York-Chicago percentage basis. The Commission, however, made the point that since Saginaw was off the main route of heavy traffic between New York and Chicago, the reason for according Saginaw its short line percentage was not so valid as for allowing Detroit and Toledo the advantage of their location on both the lake and the rail routes between the east and the west. There is little through traffic to and from the west through Saginaw. The Commission states that the upper part of the peninsula of Michigan, not being a heavy traffic district, should not be placed on the same basis as such gateways as Detroit and Toledo; that, if the rates were reduced to the

Saginaw Valley, the rates would necessarily have to be adjusted to other points in the sparsely settled upper part of the peninsula; and that these rates would apply via the longer routes south of the lakes as well as via the shorter routes through Port Huron. The latter condition would cause violations of the fourth section of the Act to Regulate Commerce. For these reasons the Commission was of the opinion that the Saginaw rates were not discriminatory.

In the decision of the Saginaw Case the Commission made the following comment on the New York-Chicago Rate System:

> While it is not always a simple matter when examining a map of the percentage group territory to understand and at once comprehend the causes that have produced zones or groups of such irregular outline, nevertheless, a careful study of particular groups, and some knowledge of the transportation conditions that surround and effect them, have given us the general impression that their boundaries have been established upon substantial and presumably sound grounds. The fact that no group rates in this country have been subjected to less criticism than the rates to and from the percentage-basis territory and the Atlantic coast is some evidence of the care with which the system has been developed. So far as a cursory examination of the records of the Commission has disclosed, there have been, until this petition was filed, but three other formal proceedings since the organization of the Commission in 1887, in which complaint was made of the percentage assigned to a particular group.[2]

In contrast with the decision of the Commission in the Saginaw Case stands its opinion in the Mississippi River Case.[3] In the Saginaw Case the Commission approved the

[2] 17 I. C. C. Rep., 132.
[3] 28 I. C. C. Rep., 47–63.

grouping of the territory complained of. In the Mississippi River Case the Commission declared the rates unreasonable and discriminatory between points east of the Illinois-Indiana State Line on the one hand and Upper Mississippi River Crossings on the other. The discrimination was declared to be in favor of the Lower Mississippi River Crossings (St. Louis, Mo., to Quincy, Ill., inclusive). The upper crossings are those from Keokuk to Dubuque, Iowa, inclusive. The Commission ordered the reduction of the rates between points east of the Western Termini on the one hand and the Upper Mississippi River Crossings on the other from a 97-cent scale to a 90-cent scale. This places the Upper Mississippi River Crossings on a 120 per cent basis for both eastbound and westbound rates for local business at the crossings, and for business through the crossings between points in Iowa and certain other points on the one hand and points east of the Western Termini on the other. The adjustment as prescribed by the Commission is still in favor of the lower crossings by 3 per cent. That is, between the lower crossings and eastern points the rates are on the 117 per cent basis, while between the upper crossings and eastern points, they are on a 120 per cent basis. However, between eastern points and points lying west of the Missouri River not taking the Missouri River rates on traffic passing through the Mississippi River Crossings (St. Louis to Dubuque, inclusive), the rates are on the St. Louis basis of a 117 per cent of the New York-Chicago rates. The important point in the decision in connection with the grouping of territory into percentage groups is that the Commission decided that the disparity between the traffic conditions at the upper crossings and those at the lower crossings had decreased, and that the

increased traffic through the upper crossings should be followed by a reduction in the rates between those crossings and eastern points. The Commission here made the most radical modification of the percentage system that it had made prior to the date on which it was rendered. The decision is so replete with matters of import in rate adjustments and especially in points concerning the percentage basis that it is quoted below almost in full.[4]

For many years the communities on the Mississippi River between Dubuque on the north and St. Louis on the south have been divided into two groups known as the upper and lower crossings. Disregarding one or two small points having no importance in this inquiry, the upper crossings for our purposes here may be said to include Keokuk, Fort Madison, Burlington, Muscatine, Davenport, Clinton, and Dubuque, all of which are in the state of Iowa. There is no bridge at Muscatine, but it is on the west bank of the river and takes the upper crossings rates. The lower crossings are St. Louis, Louisiana, and Hannibal, in the state of Missouri, and Quincy, the latter being on the east bank of the river, in the state of Illinois.

The complaint was brought in behalf of the upper crossings on the west bank of the river. They demand a parity of rates with St. Louis on all traffic coming from or moving to points east of the boundary line between the states of Illinois and Indiana. The general allegation is that the rates of the upper crossings, both westbound and eastbound, are in themselves excessive and unreasonable, and are also discriminatory when compared with the more favorable rates enjoyed by the lower crossings. After the first hearing was had, intervening petitions

[4] At the time when this treatise was published, no tariffs had been issued by the carriers to carry out the provisions of this decision, and it seemed quite likely that the case might be re-opened for further consideration. We have, therefore, shown the long established percentage groups up to 122% in the various tables and explanations. It is quite probable that, even if the case is further considered, the essential parts of the decision will stand.

were filed by certain commercial organizations at Keokuk, Fort Madison, Muscatine, Davenport, and Dubuque. While these petitions in terms adopt the allegations of the complaint and therefore question the reasonableness of the rates, they also set up the specific allegation of a discrimination in rates against the upper crossings in that they are required to pay a bridge arbitrary on inbound traffic from the east, while the lower crossings pay no such arbitrary, either on inbound traffic from the east or on outbound traffic to the west, and at the same time have the advantage of the same distributing rates to the west that are available to the upper crossings.

From this statement of the issues it will be seen that these cases bring before us questions of the first importance. This is true not only because of the large traffic moving under the present rate adjustments, but because the adjustments have been in effect for many years and any change in them at this time will necessarily be followed by more or less serious disturbances in traffic and commercial conditions in that territory. As this particular complaint of the river towns opens up a contest between the upper and the lower crossings, an understanding of the geographic relation of all the crossings to one another and to eastern territory is therefore the first matter to engage our attention. . . .

The average distance of the four lower crossings is 1,114 miles, while the average distance from New York City to the seven upper crossings is 1,098 miles. It should be said, however, that the great bulk of the traffic to the lower crossings is destined to St. Louis, which is 1,065 miles from New York City. The traffic to the upper crossings is more or less equally distributed, Muscatine and Fort Madison being relatively less important.

The west bank of the Mississippi River is the west boundary of what is called the percentage zone territory, and all the crossings, both upper and lower, are under the percentage basis of rates with respect to traffic to and from points east of Buffalo and Pittsburgh. . . .

In the sense here intended St. Louis was not put into the percentage basis territory until 1908. Prior to that time the western boundary of the territory was on the east bank of the river at that point. East St. Louis was then in the 166-per-cent

zone, and the rates to St. Louis were made by surcharging the East St. Louis rates with a bridge arbitrary on a 1-cent scale; but the toll taken out of the rates for the bridge service was on a 3-cent scale. As the result of negotiations between the merchants of St. Louis and the eastern lines, East St. Louis and certain adjacent towns in Illinois were grouped on January 2, 1908 with St. Louis, and all were erected into a new zone taking 117 per cent of the Chicago rates. In this way and at that time St. Louis was first made a definite rate point in that its rates were no longer based on the East St. Louis rates; it was then given its own class rates from New York on the 88-cent scale. These rates, it will be observed, take the traffic across the river with no additional charge in the way of a bridge toll. In the readjustment East St. Louis lost the advantage of being a 116-per-cent point, its class rates from New York being increased from the 87-cent to the 88-cent scale. The same class rates were extended to the remaining lower crossings at Louisiana, Hannibal, and Quincy; but we need not follow the details of the development of the rates at those crossings further than to state that the Burlington forced the situation and assigned the requirements of the fourth section as the explanation.

The history of the rates from New York to the upper crossings is also explained of record. Prior to 1889 the class rates to those crossings seem to have been adjusted on the basis of 125 per cent of the Chicago rates plus a bridge arbitrary of 5 cents. At that time Keokuk was the terminus of one of the branch lines of the Wabash; and this company, during that year and while under a receivership, reduced the rates to a basis of 122 per cent of the Chicago rates, adding a bridge arbitrary. This action was promptly met by the Toledo, Peoria & Western; and the other western lines were soon compelled to adopt the same basis in order that the jobbers at their crossings might be on a rate parity with Keokuk for merchandising into the interior of Iowa. Davenport on the west bank had theretofore been grouped with Moline and Rock Island on the east bank, with respect to traffic to the interior of Iowa and points beyond, and in the readjustment these two points on the east bank were given the lower class rates, with the bridge toll added, and thus were kept on a parity with Davenport.

Rates constructed on the basis of 122 per cent of the Chicago rates would give the upper crossings a 92-cent scale of class rates from New York City; and as a matter of fact the 92-cent scale is published in the tariffs of the carriers as the rates to points in the 122-per-cent zone. Those rates, however, do not take the traffic across the river, as is the case with the 88-cent scale at the lower crossings. They do not, in fact, take the traffic even to the west bank of the river. A toll is added to effect that result. The zone which embraces the Iowa crossings on the west bank of the river is shown on the percentage map not as a 122-per-cent zone, but as "122 per cent, plus." The "plus" refers to the bridge arbitraries, which, under a tariff note, must be added to the 122 per cent, or 92-cent scale of rates in order to make the rates for that zone. These arbitraries are as follows:

Classes.....	1	2	3	4	5	6
Bridge tolls.....	5	5	5	4	3	2

In this manner the present class rates to the upper crossings, and to all other points in the so-called "122 per-cent-plus" zone, are actually made on a 97-cent scale and not on the 92-cent scale. Although expressly published as such, the western lines out of Chicago assert that these arbitraries can not properly be considered as bridge tolls, not being added to the 92-cent scale as compensation to the western lines for handling the traffic across the bridges spanning the Mississippi River, but simply to make a basis for the difference between the rates to those crossings and the rates to the lower crossings. Although published as separate charges to be added to the 92-cent scale of rates, this is done, as the carriers say, merely because the aggregate charges thus constructed are not made or joined in by the eastern lines. This view of the matter is supported by the fact that the so-called "122-per-cent-plus" zone reaches well back into Illinois and fixes the rates on the traffic of points in that state upon which no bridge service is performed at all.

But whatever may have been the reason for so publishing the rates, a comparison of the aggregate charges on class traffic to the upper crossings with the class rates to the lower crossings shows a rate advantage in favor of the latter as follows, taking New York City as typical of the whole Atlantic seaboard:

Classes	1	2	3	4	5	6
Upper crossings	97	84	66	47	40	33
Lower crossings	88	76	59	41	35	29
Difference	9	8	7	6	5	4

These discriminations against them, the upper crossings contend, are too great a burden to carry and make their freight charges both unreasonable and unduly discriminatory; and they offered much evidence in support of their prayer for a parity of rates with the lower crossings. While Quincy has not grown, perhaps, as rapidly as some of the upper crossings, the complainants point to the general prosperity of St. Louis and Hannibal under their more favorable rate adjustment. There is also testimony of record tending to show that the Iowa cities have met with difficulties in their effort to secure the location of new industries at the several crossings, and that in some instances they have found it difficult even to retain the industries that are now established there. Indeed, mention is made of a number of companies that have removed from Keokuk and other river points in Iowa to locate elsewhere because of the discrimination against them in the rates. Advertisements were introduced of record in which Quincy and St. Louis, in their efforts to secure new industries, have set forth their claims from a rate standpoint as compared with the upper crossings. The complainants speak of this as a "cold-blooded" way of taking advantage of an improper rate adjustment. As a matter of fact, Quincy is reached by no eastern carrier and has a two-line haul. Its distance from New York exceeds that of any other of these crossings except Louisiana, which is also a lower crossing reached only by western lines but nevertheless enjoying St. Louis rates. Moreover, Quincy is only 31 miles south of Keokuk, a fact that is emphasized by the complainants as indicating the manifest injustice of the difference in the rates enjoyed by the two communities. If there is any dissimilarity in conditions, as between Quincy and Keokuk or the other Iowa crossings, the complainants strongly assert that the difference is in favor of the Iowa towns.

On behalf of Keokuk a mass of exhibits and some testimony were presented. The water power in process of development there involves an expenditure of $25,000,000 and will produce about

200,000 horsepower. Although Keokuk's location on the river and this large power at its door give promise of a great city, its citizens feel that the present handicap in freight rates is such as to make it impossible to attract new industries there, the advantage of cheap power being more than offset by the disadvantage in the rates. Keokuk is therefore demanding with great earnestness the same basis of rates that is now available to its neighbors at the lower crossings, and particularly at Quincy, only a few miles distant. The advantages of the water power of Keokuk, of its geographic location, and of its shorter mileage are all destroyed, it is contended, by the present unnatural rate adjustment.

The other upper crossings are asking no less earnestly for a rate parity with the lower crossings; and in support of their contentions several arguments are advanced. Their first proposition rests on the fact that the Missouri River crossings are grouped with respect to traffic from the east, while the Mississippi River crossings, although approximately covering the same extent of territory from north to south and with approximately the same differences in mileage from the east, are not so grouped. As a matter of fact, from New York the extreme difference in distance as between all the Mississippi River crossings is less than the extreme difference in distance as between the Missouri River crossings. Another point urged with some vigor is the fact that, with respect to traffic originating at or destined to the Pacific coast, Spokane, Utah common points, Oklahoma common points, and points in Colorado, Nebraska, and Kansas, or, in other words, substantially all the great territory west of the Missouri River, the upper crossings are grouped with St. Louis in disregard of any differences in mileage, which as to some points favor St. Louis, but in many, if not in most, cases favor the upper crossings.

The charge of unjust discrimination against the Iowa crossings and the resulting undue preference of St. Louis and the lower crossings is supported by much testimony; it is the main feature of the controversy and demands careful attention. To use the language of counsel for complainants, the present rate

adjustment in favor of St. Louis on traffic originating in the east—

> creates a combination of rates in every instance against the Iowa cities * * * to any point west of the Missouri River. This all tends to circumscribe the business activities of the Iowa cities, and when they are able to compete with Quincy and St. Louis it is because of special ability or some other factor so superior to that possessed by the merchants of the Missouri cities as to effectually offset the constant handicap in freight rates.

This discrimination is not justified, as the complainants assert, by any differences in circumstances or conditions affecting transportation. The nature of the routes, the prosperity of the various carriers, the density of their traffic and other transportation conditions are discussed of record, and the complainants contend that there is nothing in these matters that makes against their demand. Many exhibits were offered in behalf of the Iowa cities, the result of which is a demonstration of the fact claimed, namely, that to this great western territory the combination of inbound and outbound rates favors the lower crossings as against the Iowa crossings by substantial amounts. A single example of this will suffice to illustrate the general situation. The first-class rate under the official classification from New York to St. Louis is 88 cents and to Keokuk 97 cents. The first-class rate from all the crossings to Lincoln, in the state of Nebraska, is 65 cents. The aggregate charge to the jobber at Keokuk is therefore $1.62, while the aggregate charge to the jobber at St. Louis is $1.53, with no great difference in mileage. A part of this discrimination, as is said, lies in the bridge toll added on inbound traffic at the upper crossings, the inbound traffic of the lower crossings not being so burdened. The traffic even of Quincy, which is on the east bank and, as stated, is also a lower crossing, when moving outbound on merchandising rates, crosses the river without paying a bridge arbitrary. Examples might be multiplied of this rate inequality between the upper and lower crossings with respect to the combination of inbound and outbound rates upon which jobbers conduct their business. Of course, as to many kinds of merchandise, this disadvantage against the upper crossings is not a practical one, for jobbing houses at those

points can not in any event strongly compete in the territory west of the Missouri River with jobbing houses on the Missouri River. It was shown, however, that in the case of some merchandise, such as shoes, overalls, etc., the higher charges do actually curtail the activities, in the territories west of the Missouri River, of the commercial houses at the upper crossings.

Considering all that is disclosed of record with respect to the mileage to the several crossings, the general conditions affecting transportation to and from and through them, the geographic location and the commercial activities of the upper and lower crossings, we think a rate situation is presented that requires some explanation and justification by the carriers, if it is to be further maintained. In fact, a rather clear prima facie case is made by the mere recital of the facts. The thought is stated in that form because, in the consideration of the several complaints coming before us during the past few years in which this general rate structure has been brought to our attention, it has become increasingly evident that the fact that this relation of rates, as between the upper and lower crossings, has been in effect for a number of years would not alone justify its continuance for the indefinite future. Time has an undoubted weight in rate matters. It may often be controlling when a rate in daily use has been accepted by shippers for some years without criticism or complaint. This may perhaps be said even more strongly of a relation of rates under which different communities have competed with one another for some years. But time can not be permitted to rob a group of communities of their right to relief from what, in view of changed conditions, will be a manifest rate discrimination if further continued.

There has, of course, been no change in the geographical relation of the upper to the lower crossings; but in the conditions affecting transportation there has been a great change in recent years. In addition to the direct evidence of record on the point we may draw upon the recent history of that part of the country. The census shows a very rapid and large increase in population at Seattle, Portland, Spokane, and other towns in the northwest which have reached the magnitude of cities in the last few years. There has also been a rapid growth in agricultural and industrial development in those states and in the entire territory west of

the Missouri River. The tonnage over the direct routes to all the Mississippi River crossings has therefore undoubtedly grown to be very large. But the point that we are endeavoring to emphasize is not that there is a greater density of traffic over the upper crossings than over the lower crossings or vice versa, but rather that over all the routes to all the crossings the density of traffic has become so great as practically to absorb and take that factor out of the discussion as a basis for any substantial difference in the rates as between the upper and lower crossings. Moreover, the defendants compare the traffic density of the eastern lines as systems, meaning those reaching Chicago and St. Louis, with the density of traffic over the lines west of Chicago. The comparison is, of course, unfavorable to the latter carriers, and the defendants contend, therefore, that the rates to the upper crossings may properly be higher than the rates to the lower crossings. We can not accept this, however, as a conclusive basis for comparison. So far as density may be regarded as a substantial element in this rate situation, the density over the routes by which the traffic moves would be a more persuasive basis for the comparison, whether those routes are made up wholly of eastern lines, as in the case of the routes to St. Louis, or are composed of the eastern lines together with the western lines, as to most of the upper crossings. The exhibits of the defendants show the density of traffic only by systems and by territories. In our judgment the comparison, to have any controlling value in the consideration of these rates, ought more or less to be limited to the traffic density over the direct routes to the various crossings. So considered we are unable to find from the record that St. Louis and the other lower crossings now have any very material advantage in density over the routes to the upper crossings.

A careful study of the record in respect to the various matters hereinbefore adverted to leads clearly and strongly to the conclusion that the present relation of rates as between the upper and lower crossings no longer fits the conditions surrounding the traffic, and that the complainants, as we have indicated, have made out a prima facie case which the carriers must meet if the present adjustment is to continue. Let us therefore see what the defendant lines have to say in support of the present adjustment.

Their principal defense is that the circumstances and conditions surrounding the movement of traffic to and from the upper crossings differ substantially from the circumstances and conditions surrounding the traffic to and from the lower crossings, and warrant a higher level of rates to the cities in Iowa on the west bank of the Mississippi River. They assert that there are substantial differences in the character of the routes, in the density of traffic over the several routes, and in the conditions of competition and operation affecting the traffic moving over them to the several crossings. They point out, for example, that the eastern lines took no active part in this proceeding and that those lines, reaching St. Louis with a one-line haul, determine the basis of rates to that point, while the western lines, reaching the Iowa cities on the west bank of the river, have no voice whatever in fixing the rates between St. Louis and the east, although some of them participate in St. Louis traffic moving by way of Chicago. On the other hand, as the defendants contend, the rates of the Iowa crossings are made by the eastern carriers in conjunction with the western lines, and apply to what is a two-line haul as against a one-line haul to St. Louis. As a matter of fact, however, St. Louis is the only one of the lower crossings that can claim a rate advantage by reason of a one-line haul. The other three lower crossings, namely, Quincy, Hannibal, and Louisiana, are reached from the seaboard only over two-line routes. But they nevertheless take the St. Louis rates. On the other hand, Keokuk and Burlington are reached by the rails of the Toledo, Peoria & Western, which, at Effner, Ind., joins the rails of the Pennsylvania lines, by which it is owned in conjunction with the Burlington. The complainants therefore contend that if any advantage is to accrue to St. Louis by reason of its so-called one-line haul the same advantage belongs to Keokuk and Burlington, if the Toledo, Peoria & Western be considered as a part of the Pennsylvania system. They think it should be so considered because the rails of the Pennsylvania, the New York Central, and the Baltimore & Ohio, the so-called one-line routes to St. Louis, are operated west of Buffalo and Pittsburgh by separate corporations, namely, the Vandalia, the Big Four, and the Baltimore & Ohio Southwestern, and yet these lines are claimed by the defendants to be one-line routes to St. Louis.

The second respect in which the defendants allege a difference in transportation conditions over the several routes to the various crossings is in the matter of traffic density. The testimony offered by the complainants on that point is said by the defendants to be entirely insufficient. In the foregoing pages we have criticized the tonnage statistics of the carriers as not being sufficiently concrete and definite to prove anything of real value respecting these rates. Without going over that ground again it will suffice to say that while the St. Louis lines perhaps have some advantage in this respect, it is not large enough to be very material, and certainly not large enough to justify the present advantage in rates that St. Louis and the lower crossings have over the Iowa cities on the west bank of the river.

Another point upon which no small stress is laid by the defendant lines is that on movements to the Iowa crossings a transfer or rehandling is required at Chicago, Peoria, or other gateways, whereas movements from the east to St. Louis are handled through to destination without a transfer or any rehandling. We do not understand that carload freight destined to the upper crossings is ordinarily transferred at Chicago or at the other gateways; and on general principles there ought not to be any necessity for such a transfer except in unusual cases. In any event, the fact that this may be necessary at times, or even frequently, can not justify a difference in the rates on a 9-cent scale, when the length of the haul and most of the other conditions affecting transportation are approximately similar. A large part of the less-than-carload traffic is rehandled or transferred at Chicago and other junction points, and in any final conclusion as to what is a proper relation of rates as between the upper and lower crossings this fact ought not to be overlooked.

No definite figures are given by the carriers as to the effect on their revenues of an order putting the upper crossings on a parity with St. Louis, but it is claimed that the result would be severe. In addition to its direct results the application of the 88-cent scale to those crossings would force a reduction in the through charges to practically the entire state of Iowa. Under the requirements of the fourth section reductions would also follow in the rates to Freeport, Sterling, Dixon, Monmouth, and

many other towns in Illinois now in the 118, 120, and 122 per cent groups. The effect would probably extend to northern Missouri, southern Minnesota, and southern Wisconsin. In the aggregate the loss in revenue undoubtedly would be very substantial. This is earnestly pressed upon our attention and is a matter requiring due consideration. In that connection it is said by counsel for the defendants that low freight rates necessarily mean an inferior service because, in the absence of a revenue sufficient to enable the carriers properly to maintain their lines and to have adequate facilities and sufficient equipment, the service of the defendants must necessarily suffer. What the complainants really need, in the judgment of counsel for the carriers, is railroads with full equipment, enlarged facilities, and a better service; and this they think the shippers should endeavor to secure rather than to cripple the facilities of the carriers and make their service inefficient by insisting upon lower rates.

There is of course no small force in the general proposition that just at this period of our commercial development increased facilities, a more extensive equipment, and a better service are more important to the general shipping public than a reduction in freight charges. This is being pointed out to us by shippers as well as by carriers. But this view necessarily can not appeal strongly to communities that are directly competing with other communities and wish to grow and expand and enlarge their trade, but find the door to opportunity partly closed and their favorable geographic location substantially discounted by effective discriminations in their rates. And the objections and protests against such a rate structure become still more aggressive when it more or less affects the commerce of an entire state.

These contentions by the parties in interest are supported by a voluminous record containing a multitude of exhibits and much testimony. We have referred to them at some length in the preceding pages because of the importance of the case and because of the relation of this case to those that follow. But the issue here, as pointed out in the beginning of the report, is really a very simple one, namely, whether the rates to the upper crossings are excessive and unduly discriminatory, as alleged by those who have attacked them.

Upon a careful consideration of the whole record we find that the class rates to and from the upper crossings are excessive and unreasonable and that there is an undue and unjust discrimination both in the westbound and the eastbound rates of the upper crossings when compared with the more favorable rates enjoyed by St. Louis, Quincy, and the other lower crossings on Atlantic seaboard traffic. Whatever may have been the case some years ago, we find no such differences at this time in the circumstances and conditions surrounding the traffic or affecting the carriers as will justify the further continuance of the discrimination, at least in the degree and extent to which it now exists, or that will justify the continued maintenance of the present rates. Taking all things into consideration, much can be said, and much has been said on the record by these complainants, in support of the contention that there should be a parity of rates from the seaboard as between St. Louis and the Iowa towns on the west bank of the river; and we should be disposed to require such a parity of rates to all the crossings if the rate situation could be considered abstractly on the record and without regard to the effect elsewhere and upon other rates. That, however, would not be so broad a view of the matter as the circumstances require. We can not put out of sight the discriminations and inequalities that would result from such an order; on the contrary we must look at the whole situation and in that manner arrive at substantial justice. Moreover, the effect of such an order and of so radical a change in a rate structure of this importance would be far-reaching; it would not only profoundly disturb the communities immediately involved, but would disturb other communities, and at the same time result in a drastic reduction in the revenues of the carriers. As a regulating body, we can not overlook such consequences.

The facts of record do not suggest the propriety of allowing an increase in the rates of the lower crossings. On the contrary, we have found that the rates of the upper crossings are excessive. It follows, therefore, that if a parity of rates is brought about in the future in either of the ways mentioned, it must be reached through a reduction in the rates to the upper crossings. Nevertheless, an order at this time putting the upper crossings on

the St. Louis rates basis would be so serious in its effect upon the revenues of the respondents that we are constrained to modify the conclusion that we otherwise might reach. We think that some weight may be, and under all the circumstances should be, given to the fact that most of the traffic to the upper crossings moves over a two-line route. There is, of course, no fixed rule of transportation requiring a higher rate for a two-line than for a one-line haul of the same distance; as a matter of fact a two-line haul saves each of the participating carriers one terminal service. On the other hand, a one-line haul is highly desirable in that it gives the one carrier all the revenue. But not infrequently, where a carrier must divide its revenue with a connection, we have recognized the propriety, under the special conditions shown, of a higher through charge. We think recognition may properly here be given to the fact that on almost the entire volume of traffic to the upper crossings two or more carriers share in the revenue. We must not forget also, as hereinbefore noted, that a large part of the less-than-carload traffic to the upper crossings is transferred at Chicago or at some adjacent gateway, and that the St. Louis routes apparently have a slight advantage in density. With all these considerations in mind we find upon the record that there is in the present adjustment an undue and unjust rate discrimination against the upper crossings which ought to be modified by a reduction in the rates to those crossings. Testing the present rates of those crossings, eastbound and westbound, by the rates voluntarily made by the carriers for the lower crossings and by all other facts of record, we also find that the rates to and from the upper crossings are excessive and unreasonable, and that any rates between New York City and the upper crossings will be unreasonable when in excess of the following scale of class rates, which we prescribe as maximum rates, in cents per 100 pounds, for the future:

Class	1	2	3	4	5	6
Rate	90	78	60	42	36	30

The rates from other points in eastern territory will be adjusted on the present relation of those points to New York City under the present rates. There are slight differences between

the eastbound and the westbound rates, but we find no basis of record for preserving this difference in the future; we therefore fix the same rates on eastbound as on westbound traffic.

Confining the comparison to the westbound traffic the rates here prescribed for the future will be the following reductions under the present rates:

Class	1	2	3	4	5	6
Reductions	7	6	6	5	4	3

They will also exceed the St. Louis rates, in cents per 100 pounds, as follows:

Class	1	2	3	4	5	6
Excess	2	2	1	1	1	1

The rates in cents per ton per mile from New York to Clinton under the 97-cent scale and under the 90-cent scale are as follows, the distance being 1,050 miles:

Earnings per ton-mile.

Class	1	2	3	4	5	6
97-cent scale	1.85	1.6	1.25	0.89	0.76	0.63
90-cent scale	1.71	1.49	1.14	.8	.69	.57

To Burlington, one of the most distant of the upper crossings, the earnings in cents per ton per mile under the existing rates from New York and under the rates herein fixed are as follows, on the basis of a haul of 1,102 miles:

97-cent scale	1.76	1.52	1.20	0.85	0.73	0.60
90-cent scale	1.63	1.42	1.09	.76	.65	.54

These revenues to Clinton and Burlington, as typical crossings, compare with the ton-mile earnings under the 75-cent scale of rates from New York to Chicago, a distance of 912 miles, and the earnings per ton per mile under the 88-cent scale to St. Louis, a distance of 1,053 miles, as follows:

To Chicago	1.64	1.43	1.10	0.77	0.66	0.55
To St. Louis	1.67	1.44	1.12	.78	.66	.55

CENTRAL FREIGHT ASSOCIATION RATES.

In what precedes we have been dealing more particularly with the rates between the upper crossings and points on the Atlantic seaboard in New England and in trunk line territory, or, in other words, with the rates to and from points east of Buffalo and Pittsburgh. But, as stated in the beginning, the complaint also involves the rates to and from points in the territory east of the Illinois-Indiana state line. The present adjustment of these rates is on an entirely different basis. The central freight association territory extends westward to Chicago and St. Louis, but does not include the northwestern portion of Illinois or the upper crossings in Iowa. The rates between points of origin and destinations in that territory are built substantially on distance, using what is commonly known as the central freight association mileage scale, a special method of rate making explained in *Indianapolis Freight Bureau* v. *C. C. C. & St. L.*, 23 I. C. C., 198. The rates to St. Louis and East St. Louis are adjusted on that basis from points east of the Indiana-Illinois state line. Quincy, which as a lower crossing takes the St. Louis rates from the seaboard, also has the benefit of the same rates as St. Louis from the great majority of the points west of Buffalo and Pittsburgh. To the upper crossings the rates apparently are not made with regard to this mileage scale but, on the contrary, without exception so far as the record discloses, are higher than the rates to St. Louis from the same point, even where the mileage to the upper crossings is comparatively less.

While New York is representative of the points east of Buffalo and Pittsburgh, it is difficult to select any one point as typical of the points in central freight association territory with respect to this traffic. Columbus is centrally located and is referred to frequently on the record; its short-line distance from St. Louis is 428 miles, while from Clinton, an upper crossing, it is 452 miles. Yet the first-class rate from Columbus to St. Louis is 46 cents and to Clinton 59 cents, a difference of 13 cents for the longer haul of only 24 miles. From Fort Wayne, in the state of Indiana, the distance, on the other hand, favors Clinton, the haul being 286 miles as against 342 miles to St. Louis. The rate, however, is 52 cents to Clinton as against a rate of only

43 cents to St. Louis, a difference of 9 cents per 100 pounds. The situation may be further illustrated by the following statement of rates and mileages from typical points in different parts of the central freight association territory to the several crossings:

From—	Lower crossings.				Upper crossings.				
	St. Louis.		Quincy.			Mileages.			
	Rate.	Mileage.	Rate.	Mileage.	Rate.	Burlington.	Clinton.	Dubuque.	Keokuk.
Pittsburgh	56½	621	56½	685	69	674	606	635	675
Columbus	46	428	46	484	59	492	452	481	482
Saginaw	46	593	46	572	55	515	447	476	558
Lansing	46	478	46	483	55	426	358	387	466
Grand Rapids	46	462	46	441	55	384	316	345	427
Indianapolis	38	240	42	304	52	308	321	350	319
Fort Wayne	43	342	43	380	52	354	286	315	395
Cincinnati	41	341	42	433	55	419	436	465	448
Toledo	46	437	46	475	55	450	382	411	490
Cleveland	52½	548	52½	567	65	563	495	524	544

These differences against the upper crossings are complained of on the same grounds that are urged against the rates from trunk-line territory to the upper crossings, that is to say, they are alleged to be discriminatory and also unreasonable. Upon all the facts of record we find that there is merit in that contention. Like the rates to and from the seaboard we find that these rates are unjust and unreasonable and unduly discriminatory. It follows that there must be a substantial readjustment of the rates to the upper crossings and that the spread between those rates and the rates from the same points to the lower crossings must be materially modified. We shall not undertake in an order to fix these rates but shall look to the carriers promptly to suggest a basis for these rates for the future that will be in conformity with the views and conclusions herein expressed.

COMMODITY RATES.

But this proceeding is not limited to class rates. Substantially the same complaint is made of the commodity rates between

the upper crossings and all the territory hereinbefore mentioned; and with respect to particular commodities considerable testimony was presented. For example, on petroleum the carload rate to St. Louis and to Quincy from the Oil City district of Pennsylvania is 20 cents, while to the upper crossings it is 26 cents. From Cleveland the rate on this commodity is 17½ cents to the lower crossings and 23 cents to the upper crossings, and from Toledo and Findlay, Ohio, the rates are 16 and 22 cents, respectively. The mileage in each of these instances is less to the upper crossings. Another example is the eastbound rate on sash and doors, which are manufactured in large quantities at Davenport, Dubuque, and other upper crossings, as well as at St. Louis. The Iowa manufacturers pay the same rate as their St. Louis competitors on lumber moving from the Pacific coast and a higher rate when moving from Arkansas and Louisiana. On their shipments of sash and doors to points east of the Indiana-Illinois state line the rates they pay are higher in practically every instance than the rates from St. Louis, although the mileage is substantially the same. No real justification is offered on the record for these differences in the rates as against the upper crossings. Nevertheless commodity rates are special rates which ought to be made with reference to all the conditions surrounding the transportation of the particular articles between the particular points. On a record so wide in scope as this one, where all the facts with respect to a particular commodity are not or may not be fully disclosed, it is impractical to attempt to fix the specific rates on particular commodities as the maximum rates for the future. We shall therefore go no further at this time than to express the conclusion that the commodity rates of the upper crossings ought not to exceed those in effect to and from St. Louis in a greater degree than the difference that we are allowing to continue with respect to the class rates. This seems to be now true of the rates on some commodities.[1]

The decisions of the Commission in the Saginaw Case and the Mississippi River Case are, perhaps, indicative of the general attitude of the Commission toward the

[1] 28 I. C. C. Rep., 48-63

New York-Chicago Percentage System. While the Commission considers this system the most satisfactory of any general rate scheme for interstate shipments in the United States, it does not consider the system a perfect one that may stand for all time without modification. It would seem, however, that the New York-Chicago Percentage System is based on substantial justice in the main and that it takes account of the principles that underlie proper rate adjustment within the territory covered. With slight modifications it would seem that this scheme of rates may stand for decades if indeed it does not prove the final system for adjusting the rates within this territory.

The system of rates which has been explained in the preceding pages, is amenable to change. For example, at the present writing the carriers are asking for a uniform 5 per cent increase on all traffic, both classes and commodities, within the territory of the New York-Chicago Percentage System. In making the change, the rates between New York and Chicago are being increased by 5 per cent. The rates in all territory governed by the New York-Chicago Percentage System under the advanced basis will be made exactly as has been explained in the preceding pages. If the advances go into effect, the increased rates between New York and Chicago will be the basis for the rates between other points; and the same percentages shown in Maps 3 and 4 and the same arbitraries and percentages for eastern points shown in the tables of this treatise will be used in computing the advanced rates.

TEST QUESTIONS

These questions are for the student to use in testing his knowledge of the assignment. The answers should be written out, but are not to be sent to the University.

1. On what basis are the rates from Chicago to Montreal made?

2. How are rates from Chicago to Buffalo found? From C. F. A. points to Buffalo?

3. What are the rates from Chicago to Detroit and Port Huron?

4. How are rates made from C. F. A. points other than Chicago to Detroit and Port Huron?

5. Give first-class and third-class rates from Chicago to Philadelphia, Montreal, Boston, and Detroit.

6. What are the rates on cattle and on dressed meats between the same points?

7. Give first-class, third-class, and fifth-class rates from C. F. A. points in Table 31 to Toronto.

8. Show first-class and fifth-class rates for each distance shown in Table 32.

9. Give the basis for merchandise rates from points shown in Table 32 to Windsor, Sarnia, Belle River, London, and Toronto.

10. How are rates made from points taking a percentage of Chicago-to-New York class rates to Agincourt, Cobourg, and Peterboro?

11. What is the basis for rates from territories shown in Table 33 to Brockville, Montreal, and St. Johns?

12. How are rates made from the same territories to Quebec, Halifax, North Sidney, Cacouna, Mulgrave, and Sydney?

13. Give the minimum first-class and fourth-class rates from Pittsburgh to each point or group of points in Table 34.

14. Give the arbitraries over Pittsburg rates applying from points in Table 35 to Canadian groups.

15. What constitutes the Hamilton group? The Toronto group? The Montreal group?

16. What is the difference in domestic and export rates to Montreal?

17. How are rates made to points in Ontario and Quebec on the New York Central lines?

18. Give the basis for both domestic and export rates to Quebec.

19. What is the basis for rates on live stock from C. F. A. points taking 78 per cent or more of New York-Chicago rates to Windsor, London, Toronto, Montreal, and Quebec?

20. Give the general basis for rates on pig iron to Canadian points.

21. Give the general class-rate basis from percentage territory in Canada to eastern groups in the United States.

22. Show the difference in the rates to Philadelphia and Baltimore from Canadian percentage groups as compared with rates to the same points from the United States percentage groups.

23. Give the class rates from Canadian 73 per cent points to Philadelphia and Baltimore.

24. What is the first-class rate from Canadian 100 per cent points to Albany? To Utica? To Ogdensburg?

25. Give the third-class rate from Canadian 73 per cent points to points mentioned in question 24, except Ogdensburg.

26. How does the grouping of Trunk Line and New England territories for rail-and-lake rates compare with that for all-rail rates?

27. What amounts under the all-rail rates apply via rail and lake from New York to Chicago, Cleveland, and Detroit?

28. How are rail-and-lake rates made from New York to Duluth? To Sault Ste. Marie? To St. Paul territory? To Racine?

29. Give the basis for rates to western points mentioned in questions 27 and 28 from Philadelphia. From Baltimore.

30. How much less than all-rail rates from New York to Cleveland are the rail-and-lake rates?

31. How do rail-and-lake rates from Boston to points men-

tioned in item 12 of Table 39 compare with New York rail-and-lake rates?

32. What differentials under New York rail-and-lake rates apply from Boston to Trans-Mississippi territory via rail and lake?

33. Is the fourth section of the Act to Regulate Commerce violated in making rates via circuitous routes?

34. What kinds of rates must be compared when applying the fourth section?

35. Name the groups into which C. F. A. points are divided in making rates to points shown in Table 39.

36. Give the basis for making rates to each of the points shown in Table 39.

37. What other kinds of routes are there from eastern ports than those already mentioned?

38. Give the general basis for rates applying via routes referred to in question 37.

39. How much lower than the all-rail scale is the rail-and-lake scale in each direction?

40. What are the two groups of ports via which rail-and-ocean rates apply?

41. What class differentials under all-rail rates apply to New York via ocean and rail?

42. How are rates made to interior eastern points via ocean and rail?

43. How are rates made to South Atlantic ports from C. F. A. points via North Atlantic ports?

44. Give very briefly a history of the development of the New York-Chicago Rate System.

45. What three factors led up to the adoption of the New York-Chicago Percentage System?

46. What is the substance of the decision of the Interstate Commerce Commission in the Saginaw Case, relative to the percentage system?

47. What are the essential points of the decision in the Mississippi River Case as to class rates? As to commodity rates?

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